

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA
Alexandria Division

REPORTER'S TRANSCRIPT

MOTIONS HEARING

BEFORE: THE HONORABLE GERALD BRUCE LEE
UNITED STATES DISTRICT JUDGE

APPEARANCES:

FOR THE PLAINTIFF: FRIED FRANK
BY: JAMES W. DABNEY, ESQ.
TOMMY BEAUDREAU, ESQ.
HENRY LEBOWITZ, ESO.

FOR THE DEFENDANT: BANNER & WITCOFF
BY: BRADLEY WRIGHT, ESQ.
ROBERT ALTHERR, ESQ.
CHRISTOPHER ROTH, ESQ.
JOSEPH POTENZA, ESQ.

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OFFICIAL COURT REPORTER: RENECIA A. WILSON, RMR, CRR
U.S. District Court
401 Courthouse Square, 5th Floor
Alexandria, VA 22314

INDEX

ARGUMENT BY THE PLAINTIFF 4, 12, 29, 71, 82

ARGUMENT BY THE DEFENDANT 8, 14, 77, 88

RULING BY THE COURT 13, 61, 82

1 (Thereupon, the following was heard in open
2 court at 10:57 a.m.)

10:57:00 3 THE CLERK: 1:09 civil 467, Pregis

10:57:03 4 Corporation versus John J. Doll, et al.

10:57:17 5 Would counsel come forward and please state
10:57:19 6 your names for the record.

10:57:27 7 MR. DABNEY: James Dabney, Fried Frank,
10:57:30 8 counsel for the plaintiff, Pregis Corporation.

10:57:34 9 MR. BEAUDREAU: Tommy Beaudreau, Fried
10:57:36 10 Frank, counsel for Pregis.

10:57:38 11 THE COURT: Good morning.

10:57:40 12 MR. LEBOWITZ: Henry Lebowitz, counsel for
10:57:43 13 Pregis.

10:57:44 14 THE COURT: Good morning.

10:57:45 15 MR. WRIGHT: Bradley Wright with Banner &
10:57:49 16 Witcoff, Washington D.C. for defendant Free-Flow
10:57:54 17 Packaging.

10:57:56 18 MR. ALTHERR: Robert Altherr on behalf of
10:57:59 19 Free-Flow Packaging.

10:58:01 20 THE COURT: Good morning, Mr. Altherr.

10:58:03 21 MR. POTENZA: Joseph Potenza on behalf of
10:58:06 22 Free-Flow Packaging, Banner & Witcoff.

10:58:09 23 THE COURT: Good morning.

10:58:11 24 MR. ROTH: Christopher Roth on behalf of
10:58:13 25 Free-Flow Packaging.

10:58:15 1 THE COURT: Good morning.

10:58:18 2 Counsel, I -- there's several motions before

10:58:21 3 the Court. I don't know if you all have discussed any

10:58:23 4 particular order, but I'm prepared to take up the

10:58:27 5 motions in the order in which they're listed on the

10:58:29 6 docket.

10:58:29 7 The first one will be the motion to strike

10:58:32 8 jury demand followed by Pregis.

10:58:40 9 MR. DABNEY: Thank you, Your Honor. With

10:58:45 10 regard to the -- I'm going to take up the motion to

10:58:48 11 strike jury demand.

10:58:49 12 The position of Pregis on this is fairly

10:58:53 13 well set out in our briefs. The --

10:58:56 14 THE COURT: It is, but you didn't tell me

10:58:57 15 about the other cases. That bothered me.

10:59:00 16 MR. DABNEY: The other --

10:59:01 17 THE COURT: You didn't tell me about the

10:59:02 18 *Connell versus Sears* case. You didn't tell me about

10:59:07 19 *Railroad Dynamics*. Why not?

10:59:09 20 MR. DABNEY: Your Honor, none of those cases

10:59:11 21 involve motions to strike jury demands.

10:59:13 22 What the Federal Circuit held in those cases

10:59:15 23 was that it was not error in the absence of a motion to

10:59:18 24 strike jury demand for a jury to render a verdict on the

10:59:23 25 legal question of obviousness.

10:59:26 1 Those cases do not address the question
10:59:28 2 that's before the Court. And if a party fails to raise
10:59:31 3 an objection in the trial court, well, then of course,
10:59:33 4 they'll waive their rights on that issue.

10:59:35 5 But, this motion that we have filed raises
10:59:38 6 the question whether under the Seventh Amendment there
10:59:40 7 is a right to trial by jury on the legal question of
10:59:45 8 whether or not a patent decision by the government is a
10:59:49 9 valid agency action or not.

10:59:51 10 We believe that the Supreme Court has
10:59:53 11 clearly held that this is a question of law and that
10:59:56 12 it -- there is simply not a right to trial by jury on
10:59:59 13 that legal question. It's really as straightforward as
11:00:02 14 that.

11:00:02 15 THE COURT: All right.

11:00:05 16 MR. DABNEY: So, our position, very simply
11:00:07 17 is that this appears to be a question that the Federal
11:00:13 18 Circuit has never addressed. There is no Federal
11:00:16 19 Circuit precedent that raises -- that considers whether
11:00:19 20 as a constitutional law matter, the Seventh Amendment
11:00:23 21 creates a right to trial by jury on the legal question
11:00:26 22 of whether or not a claimed invention satisfies the
11:00:30 23 statutory conditions for patentability.

11:00:32 24 THE COURT: So then you're the first lawyer
11:00:34 25 in America to identify this motion because there's a not

11:00:37 1 a single district court case or circuit court case that
11:00:39 2 has adopted your position; is that right?

11:00:41 3 MR. DABNEY: I don't know the answer to the
11:00:43 4 question Your Honor has raised. I will say that --

11:00:46 5 THE COURT: Can you describe for me a
11:00:48 6 district court or a circuit court case where a trial
11:00:51 7 judge has granted a motion like yours?

11:00:55 8 MR. DABNEY: I cannot identify such a case.
11:00:57 9 I do not know whether such a motion as this has been
11:01:01 10 previously filed, except in one case in which I've been
11:01:04 11 involved in.

11:01:05 12 THE COURT: All right.

11:01:07 13 MR. DABNEY: So, it is --

11:01:08 14 THE COURT: I'll be breaking new ground?

11:01:10 15 MR. DABNEY: Your Honor --

11:01:11 16 THE COURT: District judges are reluctant to
11:01:13 17 be first. You know that.

11:01:15 18 MR. DABNEY: Your Honor, I don't -- what I
11:01:17 19 can say is there is not any precedent either way.

11:01:24 20 The Supreme Court of the United States, when
11:01:27 21 it held in *Graham* that the ultimate question of
11:01:30 22 patentability is one of law and when the Supreme Court
11:01:34 23 in *KSR* just two years ago held that the ultimate
11:01:39 24 determination of obviousness, the ultimate judgment of
11:01:43 25 obviousness is a legal determination, those

11:01:45 1 characterizations as legal are quite important because
11:01:48 2 they naturally suggest, well, since this proceeding
11:01:52 3 involves a form of judicial review of agency action.
11:01:56 4 This is not a slip and fall case in which a jury is
11:01:59 5 asked to decide whether or not under commonly recognized
11:02:02 6 standards of care the defendant breached the duty of
11:02:05 7 care owed to the plaintiff. That's not what we have
11:02:08 8 here.

11:02:08 9 What we have here is a question whether or
11:02:10 10 not a government agency action was valid.

11:02:13 11 And, under standard principles of
11:02:16 12 administrative law, under Supreme Court precedent
11:02:20 13 dealing with patent cases it is for judges to decide
11:02:22 14 whether the government has acted lawfully in taking
11:02:25 15 agency action. That is what clearly distinguishes our
11:02:28 16 case from negligence and other kinds of tort cases that
11:02:33 17 have been cited as analogies in the past.

11:02:36 18 THE COURT: All right.

11:02:37 19 MR. DABNEY: So I'm not aware of any case
11:02:39 20 that has considered the question Rule 39(a) motion is
11:02:43 21 there a right to trial by jury on these legal questions
11:02:46 22 which everybody agrees are legal.

11:02:48 23 And, if you don't raise the objection, well
11:02:50 24 then, you can't comply.

11:02:53 25 THE COURT: All right. Well, I think I

11:02:54 1 understand your position. Thank you very much.

11:02:56 2 MR. DABNEY: Thank you.

11:02:58 3 MR. WRIGHT: Good morning, Your Honor,

11:03:02 4 Bradley Wright for defendant Free-Flow Packaging.

11:03:06 5 I'd like to make three quick points before
11:03:09 6 addressing Mr. Dabney's position.

11:03:11 7 The first, as the Court has acknowledged,
11:03:13 8 this would be the first Court ever to rule on this novel
11:03:16 9 theory that Rule 39 somehow can be used to take away the
11:03:19 10 right to trial on jury for obviousness.

11:03:23 11 Secondly, Pregis has not cited a single case
11:03:25 12 where Rule 39 has been employed in the manner it
11:03:28 13 suggested here, that you take a question of obviousness
11:03:31 14 and split it into its factual components and legal
11:03:35 15 conclusion and submit one to the jury and the other to
11:03:37 16 the judge.

11:03:38 17 But finally and most importantly and which
11:03:40 18 is dispositive of this case is in order to win under its
11:03:43 19 theory, under Rule 39, this Court must first find that
11:03:47 20 there is no right to trial by jury on the question of
11:03:51 21 obviousness.

11:03:52 22 I'd like to hand out for the Court and Mr.
11:03:57 23 Dabney a document. Mr. Dabney mentioned that he had
11:04:01 24 been involved in one other case. What he didn't tell
11:04:03 25 you is he filed this petition for certiorari in the

11:04:07 1 Supreme Court last August. The name of the case is
11:04:10 2 *Madella (phonetics) versus Kinetic Concepts*, James
11:04:14 3 Dabney, counsel of record.

11:04:15 4 This case, Your Honor, is a -- was a patent
11:04:19 5 case. It involved the question of obviousness, and Mr.
11:04:22 6 Dabney argued that the jury should not have been
11:04:25 7 entitled to consider the question of obviousness. And
11:04:29 8 I'll read you -- this is Mr. Dabney speaking about
11:04:31 9 Federal Circuit precedent.

11:04:34 10 "The question presented under Federal
11:04:35 11 Circuit precedent, however, a person accused of patent
11:04:38 12 infringement has no right to independent judicial as
11:04:41 13 distinct from lay jury determination of obviousness.

11:04:45 14 "The Federal Circuit has held that a jury
11:04:48 15 may render a verdict on the ultimate issue of
11:04:50 16 obviousness and the Court review of such verdict is
11:04:52 17 limited".

11:04:53 18 If you read the last sentence of the
11:04:54 19 question presented, "Federal Circuit precedent on this
11:04:59 20 point conflicts with two en banc decision of regional
11:05:02 21 circuit court".

11:05:03 22 Mr. Dabney knows what the Federal Circuit
11:05:05 23 precedent is. He argues that it should be overturned,
11:05:08 24 and this Court doesn't have, of course, the authority to
11:05:10 25 do that.

11:05:10 1 So, under Rule 39, as Mr. Dabney has
11:05:14 2 acknowledged, controlling precedent is there is in fact
11:05:18 3 the right to a jury trial on the question of
11:05:21 4 obviousness. We've cited the *Railroad Dynamics* case for
11:05:23 5 that proposition and Pregis has not filed another case.

11:05:28 6 On the second point because they can't find
11:05:30 7 a case exactly on point, Mr. Dabney says, well, there's
11:05:34 8 really two sub questions. One, obviousness is a legal
11:05:37 9 issue. And number two, jury's can't decide legal
11:05:42 10 issues.

11:05:42 11 Well, he's wrong on both points. First of
11:05:44 12 all, while it's true that the ultimate question of
11:05:47 13 obviousness is a legal issue, there are a number of
11:05:49 14 factual inquiries that are bound up with that.

11:05:51 15 And the Supreme Court in *Markman* expressly
11:05:53 16 referenced this problem on the question of claim
11:05:57 17 construction. And they say that it's a better practice
11:05:59 18 when deciding whether to submit an issue to the jury to
11:06:02 19 look at historical context, including what happened in
11:06:06 20 England in 1791, what was the practice in England. And
11:06:10 21 if there's no clear analogy, then look for modern
11:06:14 22 precedent.

11:06:14 23 We set out in our briefs the position that
11:06:16 24 both in England juries decided questions of validity of
11:06:21 25 patents. And in modern precedent, the question of

11:06:25 1 obviousness has been submitted to juries. So under that
11:06:28 2 framework, Pregis's theory can be rejected.

11:06:31 3 Secondly, the Federal Circuit itself has
11:06:34 4 said that juries can decide legal issues when they are
11:06:37 5 properly instructed.

11:06:38 6 So, even though the ultimate question of
11:06:40 7 obviousness is a legal question, that doesn't apply
11:06:44 8 here.

11:06:44 9 And finally, a comment on the use of special
11:06:48 10 verdict forms. This Court has broad discretion for
11:06:50 11 deciding how to structure the jury verdict forms.
11:06:55 12 Pregis is inappropriately tried to deprive the Court of
11:06:58 13 that power and force the Court to adopt a rigid
11:07:01 14 approach.

11:07:01 15 I think the -- if you look at page six of
11:07:04 16 Pregis's own reply brief where it says a jury in this
11:07:07 17 case could find hundreds if not thousands of different
11:07:10 18 combinations of facts as proved or not proved and could
11:07:12 19 assign a theoretically infinite number of weights to
11:07:15 20 those factual predicates.

11:07:16 21 This just illustrates how difficult it would
11:07:19 22 be for this Court to construct a jury verdict form that
11:07:22 23 would satisfy Pregis.

11:07:23 24 And one final point, Mr. Dabney keeps
11:07:26 25 bringing up agency action. As this Court has already

11:07:29 1 recognized that APA claim has been dismissed out of this
11:07:31 2 case and we've moved for a motion in limine to exclude
11:07:35 3 reference to unlawful agency action. The jury is not
11:07:38 4 going to be reviewing agency action. The jury's going
11:07:40 5 to be reviewing the validity of the patent.

11:07:43 6 And so, any reference to agency action is
11:07:45 7 simply irrelevant to this case.

11:07:47 8 THE COURT: Thank you.

11:07:48 9 MR. WRIGHT: Thank you.

11:07:53 10 MR. DABNEY: Your Honor, I am quite familiar
11:07:57 11 with the *Madella* case. The Supreme Court denied
11:08:01 12 certiorari in the *Madella* case after the respondents
11:08:07 13 strenuously argued that the issue hadn't properly been
11:08:10 14 raised in the trial court.

11:08:11 15 This was a case in which the defendant did
11:08:15 16 not object to the jury rendering a verdict on this. And
11:08:19 17 then after it had lost then asked for the trial court to
11:08:25 18 set aside the jury verdict.

11:08:27 19 So, there's no inconsistencies between the
11:08:30 20 position that we're taking in this case and the position
11:08:32 21 that was taken in the Supreme Court of the United States
11:08:34 22 in the *Madella* case.

11:08:35 23 THE COURT: All right.

11:08:38 24 MR. DABNEY: And I can respond to each of
11:08:40 25 the points that have been raised.

11:08:41 1 THE COURT: Well, I've given you all a
11:08:43 2 chance to brief the matter, and I think you have made a
11:08:45 3 sufficient record.

11:08:46 4 MR. DABNEY: Thank you.

11:08:47 5 THE COURT: I do believe that. All right.
11:08:48 6 Thank you.

11:08:51 7 This matter is before the Court on the
11:08:54 8 motion made by Pregis to strike the jury demand in part.
11:09:01 9 The question presented is whether or not a jury may
11:09:04 10 consider the validity of a patent claim as a mix
11:09:11 11 question of fact and law in the trial.

11:09:13 12 It seems to me that the jury, the right to
11:09:16 13 jury trial under the Seventh Amendment would encompass
11:09:20 14 the jury being able to hear and make a judgment about
11:09:24 15 whether or not the patent here was obvious. And it
11:09:32 16 would follow that if it's obvious then it's invalid.

11:09:37 17 The case law that has been cited to me,
11:09:39 18 including *Railroad Dynamics* case from the Federal
11:09:44 19 Circuit and the *Connell versus Sears Roebuck* case from
11:09:47 20 the Federal Circuit all indicate it is not error to
11:09:50 21 submit the question of obviousness to a jury.

11:09:52 22 And of course, we will have appropriate
11:09:54 23 instructions concerning the validity and the burden of
11:09:58 24 proof on the party seeking to have a patent declared
11:10:01 25 invalid and instructions of law concerning obviousness.

11:10:05 1 So for those reasons, the motion to strike
11:10:07 2 jury demand will be denied.

11:10:09 3 Let's now take up the defendant's motion in
11:10:15 4 limine.

11:10:34 5 MR. ALTHERR: May it please the Court, it's
11:10:37 6 Robert Altherr on behalf of the defendant Free-Flow
11:10:41 7 Packaging, Your Honor.

11:10:42 8 If I might, I have some handouts here which
11:10:47 9 are part of our exhibits --

11:10:48 10 THE COURT: Okay.

11:10:49 11 MR. ALTHERR: -- that I'll be referring to.

11:10:51 12 THE COURT: I should say that I don't -- I
11:10:53 13 hope that you all don't think that you need to argue 17
11:10:59 14 motions in limine because I have -- you all have briefed
11:11:04 15 it. And I have some idea about which way this train is
11:11:06 16 headed. But let me help you some, I guess.

11:11:17 17 The motions that concern me that I want to
11:11:23 18 hear more about would be seven and eight. Seven, eight,
11:11:34 19 and nine, and one. But, there may be more you want to
11:11:44 20 talk about.

11:11:46 21 MR. ALTHERR: Right, Your Honor. If I start
11:11:49 22 with -- I will start with motion in limine number one,
11:11:52 23 since that's one of the ones that you've indicated
11:11:54 24 there, Your Honor.

11:11:54 25 THE COURT: Yes.

11:11:55 1 MR. ALTHERR: Our motion in limine is to
11:11:57 2 exclude patent law experts from testifying in this case
11:12:00 3 or alternatively to restrict their patent law patent,
11:12:04 4 Mr. Pedgram from providing testimony on issues of
11:12:08 5 invalidity or infringement.

11:12:10 6 THE COURT: What would a patent law expert
11:12:11 7 tell the jury, that I think that the patent is invalid?

11:12:15 8 MR. ALTHERR: That's exactly what they want
11:12:17 9 is to comment upon the merits of their invalidity and
11:12:23 10 noninfringement defense, say that they were good
11:12:25 11 defenses.

11:12:26 12 THE COURT: I've not seen a lawyer do that,
11:12:28 13 have you, where a lawyer takes the stand and says, well,
11:12:30 14 I think the patent is invalid? I think you all can
11:12:33 15 argue that.

11:12:33 16 MR. ALTHERR: Your Honor, I've been
11:12:34 17 practicing law for a long time. Back in the early days,
11:12:37 18 they were allowed to do that. That -- recently no, Your
11:12:40 19 Honor.

11:12:40 20 And as a matter of fact, the -- right on
11:12:42 21 point is the *Sundance* case which we cited. That's a
11:12:46 22 2008 Federal Circuit case where a legal expert attempted
11:12:51 23 to testify on noninfringement invalidity, and they held
11:12:56 24 it was an abuse of discretion to permit the legal expert
11:13:00 25 to testify unless he was qualified as an expert in the

11:13:03 1 pertinent art.

11:13:04 2 That's not been done here in this case. The
11:13:07 3 expert is merely a legal expert. He is not qualified to
11:13:10 4 testify on the technical merits. They have a technical
11:13:13 5 expert who is qualified to do that.

11:13:15 6 In particular, in their response, they
11:13:18 7 stated that they want the legal expert to testify to
11:13:22 8 such things as whether the accused machines draw film
11:13:25 9 through a planar path. Well, that's exactly a technical
11:13:29 10 issue.

11:13:30 11 Additionally, he had said that he was going
11:13:31 12 to testify with regard to support for that claim of
11:13:34 13 planar path which is something Your Honor has already
11:13:36 14 decided in motions for summary judgment.

11:13:38 15 Further, they wanted him to testify on the
11:13:40 16 issues about the longitudinal edge, what was originally
11:13:44 17 claimed, how it was amended and distinguished over the
11:13:47 18 prior art.

11:13:48 19 Once again, these are technical issues that
11:13:50 20 their technical expert is addressing, has addressed in
11:13:52 21 his own report. And now all they want to do is get
11:13:57 22 attorney argument on the same issues.

11:14:00 23 Basically, in addition to this, it's an end
11:14:03 24 run around the waiver of their attorney/client privilege
11:14:08 25 with respect to any opinions upon which they relied

11:14:11 1 upon.

11:14:12 2 Our fourth motion in limine was the one to
11:14:15 3 exclude any evidence of reliance of counsel with respect
11:14:19 4 to the charge of willful infringement.

11:14:22 5 THE COURT: They didn't identify an opinion
11:14:24 6 of counsel, didn't they?

11:14:25 7 MR. ALTHERR: They did not identify any
11:14:27 8 opinions of counsel, that's correct, Your Honor, refused
11:14:28 9 to disclose them.

11:14:29 10 They said they consulted counsel in the
11:14:32 11 response to our interrogatory, but they refused to
11:14:35 12 disclose any of those opinion. So we couldn't test them
11:14:39 13 during discovery to see if they were reasonable and
11:14:40 14 could be relied upon.

11:14:40 15 THE COURT: So, it can't be a defense if you
11:14:42 16 didn't produce in discovery and subject to discovery?

11:14:44 17 MR. ALTHERR: That's correct, Your Honor.

11:14:45 18 THE COURT: Okay.

11:14:45 19 MR. ALTHERR: They should not be able to
11:14:47 20 present those. But they're trying to end run that by
11:14:50 21 using this legal expert that is going to come in and say
11:14:52 22 how good their defenses are and so to say, yes, that
11:14:57 23 they did have defenses to rely upon. And that's just
11:15:00 24 not right.

11:15:00 25 He not only not qualified technically to

11:15:04 1 address these issues. They have a technical person.

11:15:08 2 But then there's also this end run around, like I said,

11:15:10 3 their refusal to waive the attorney/client privilege.

11:15:13 4 THE COURT: All right.

11:15:14 5 MR. ALTHERR: All right. With respect to

11:15:22 6 numbers seven, eight, and nine, Your Honor, probably the

11:15:28 7 best way would be to take number eight first.

11:15:30 8 THE COURT: Okay.

11:15:32 9 MR. ALTHERR: We have moved for a motion in

11:15:33 10 limine to preclude the experts in this case from

11:15:37 11 providing testimony beyond the scope of the reports

11:15:39 12 which they've submitted pursuant to the Federal Rules of

11:15:43 13 Civil Procedure 26(a).

11:15:44 14 The federal rules require the report with

11:15:46 15 all opinions and the basis and reasons for them and the

11:15:51 16 data considered. This type of a motion is standard in

11:15:53 17 these cases.

11:15:54 18 Courts routinely exclude opinions which were

11:15:57 19 not contained in the report because they're highly

11:15:59 20 prejudicial because you didn't have a chance to obtain

11:16:02 21 discovery of those opinions.

11:16:03 22 THE COURT: Is there some particular opinion

11:16:05 23 that you're focused on in this motion?

11:16:07 24 MR. ALTHERR: What's that?

11:16:08 25 THE COURT: Is there a particular item of

11:16:10 1 evidence that you're focused on in this motion or is it
11:16:11 2 just a general you want a blanket pronouncement that
11:16:14 3 statements that are not in the reports are not
11:16:16 4 admissible?

11:16:17 5 MR. ALTHERR: Yes, Your Honor. We do
11:16:18 6 definitely want a blanket pronouncements that the
11:16:21 7 experts cannot render opinions outside their expert
11:16:25 8 report.

11:16:25 9 But further, this ties in with number nine
11:16:27 10 also, where as you see where their damages expert, Dr.
11:16:31 11 Cornell, all right.

11:16:32 12 And as they indicated in their opposition,
11:16:35 13 he put in his expert reports, he reserves the right to
11:16:38 14 supplement his opinion based on proofs at trial.

11:16:41 15 Well, that's a little bit late to be
11:16:43 16 changing his opinion. In Dr. Cornell's expert report,
11:16:47 17 he's their damages expert --

11:16:48 18 THE COURT: He said the damages were zero or
11:16:50 19 a hundred thousand dollars.

11:16:51 20 MR. ALTHERR: That's exactly right, Your
11:16:53 21 Honor.

11:16:53 22 THE COURT: And he wants to do calculation
11:16:54 23 based on what he hears in court.

11:16:56 24 MR. ALTHERR: And what he wants to do is --
11:16:57 25 he didn't give his methodology for how he came up with

11:17:00 1 this, all right.

11:17:00 2 He wants to take evidence that some fact
11:17:03 3 witnesses going to put in, all right, and then try to
11:17:05 4 come up with a new calculation at court.

11:17:06 5 THE COURT: So he would do that while we're
11:17:08 6 in trial?

11:17:09 7 MR. ALTHERR: That exactly --

11:17:10 8 THE COURT: And that's the first time you
11:17:11 9 would hear about that?

11:17:11 10 MR. ALTHERR: That would be absolutely the
11:17:13 11 first time we would hear about it, Your Honor.

11:17:14 12 THE COURT: Okay.

11:17:15 13 MR. ALTHERR: And so, it's definitely not
11:17:17 14 fair. They did not put forward specific dollars before,
11:17:19 15 so they should be stuck with the dollars he set forth in
11:17:22 16 his report.

11:17:23 17 THE COURT: All right.

11:17:24 18 MR. ALTHERR: With regard to the motion in
11:17:28 19 limine number seven, that goes to lay opinion testimony
11:17:31 20 on the issues of infringement and validity.

11:17:34 21 Mr. Wetsch who is their vice-president in
11:17:38 22 charge of product development was not designated in
11:17:41 23 accordance with your scheduling order of designating
11:17:44 24 experts as a person that would be providing expert
11:17:47 25 testimony.

11:17:47 1 Therefore, he's limited to producing lay
11:17:50 2 testimony, as opinion testimony.

11:17:52 3 And under Rule 701, lay testimony -- opinion
11:17:58 4 testimony has to be rationally based upon perception and
11:18:01 5 not scientific, technical or other specialized
11:18:06 6 knowledge.

11:18:06 7 Well, an opinion on validity and
11:18:10 8 infringement goes beyond lay testimony in that it does
11:18:13 9 require scientific, technical knowledge. And therefore,
11:18:15 10 since he wasn't identified as a witness -- and they do
11:18:17 11 have a technical expert who they have identified who has
11:18:20 12 given his opinions, this is merely duplicative also to
11:18:25 13 permit him to go out and testify.

11:18:27 14 Additionally, we have the issue which ties
11:18:29 15 back to our motion in limine about excluding defenses
11:18:35 16 that were not planned or otherwise disclosed.

11:18:38 17 We have -- Mr. Wetsch could get in there and
11:18:43 18 raise all type of noninfringement or invalidity offenses
11:18:46 19 which have never been asserted in any pleadings, have
11:18:49 20 never been responded to in our response to our
11:18:51 21 interrogatories.

11:18:52 22 We have interrogatories number six and
11:18:54 23 number eight. We specifically requested them to state
11:18:58 24 what the basis was for their noninfringement contentions
11:19:01 25 and all the facts that supported that and then also to

11:19:04 1 state what their invalidity positions were and the facts
11:19:10 2 which supported those.

11:19:11 3 THE COURT: Well, let me ask you this. The
11:19:12 4 opposition from Pregis says that Mr. Wetsch would
11:19:19 5 address factual questions concerning differences between
11:19:22 6 the claimed subject matter and prior art, the level of
11:19:27 7 skill in the art.

11:19:28 8 Are those things fact or statements of
11:19:30 9 opinion?

11:19:31 10 MR. ALTHERR: Those are opinion, Your Honor,
11:19:32 11 because he has to compare the claims to the accused
11:19:37 12 device, right, and that is his opinion.

11:19:39 13 Now, he can say how that accused device
11:19:41 14 operates. That's a fact. I don't have any problem with
11:19:43 15 him saying that. He can talk about the structure of the
11:19:48 16 accused device. He just can't compare it to the claims.
11:19:51 17 He can't compare the claims to prior art. That's
11:19:54 18 opinion. That's the points that we're trying to stress
11:19:56 19 that he should not be allowed to do, Your Honor.

11:19:59 20 THE COURT: All right.

11:20:03 21 MR. ALTHERR: I believe that takes care of
11:20:05 22 seven, eight, nine and one.

11:20:06 23 I do have one I definitely wanted to address
11:20:08 24 with you, Your Honor.

11:20:09 25 THE COURT: All right.

11:20:10 1 MR. ALTHERR: Actually, two other. The
11:20:12 2 first -- the first one being the motion in limine number
11:20:16 3 six to preclude test -- testimony regarding derivation
11:20:21 4 defense, including the testimony of Pieter Aquarius.

11:20:24 5 All right. Your Honor, if -- what I handed
11:20:27 6 you, this hand out, the first page of it is your
11:20:31 7 scheduling order which you signed. And if I direct your
11:20:36 8 attention down towards the bottom of it, the underlying
11:20:39 9 portions and in particular, the end of the second line
11:20:41 10 that's underlined where it says, "no person may testify
11:20:44 11 whose identity being subject to disclosure or timely
11:20:48 12 requested in discovery was not disclosed in time to be
11:20:51 13 deposed or to permit the substance of his knowledge and
11:20:54 14 opinions to be ascertained".

11:20:56 15 Now, if you go to the next page, Your Honor,
11:21:00 16 this is Pregis's response to defendant's first set of
11:21:04 17 interrogatories.

11:21:06 18 And, as you could see on the last page it
11:21:09 19 shows you -- they gave us this response in August. We
11:21:12 20 requested this information in July.

11:21:14 21 But, on interrogatory number 13, we
11:21:17 22 requested that they identify each person that Pregis may
11:21:21 23 call to testify as a fact or expert witness or to
11:21:24 24 provide an affidavit of declaration of at any stage of
11:21:26 25 this action and for each such person to state the

11:21:29 1 substance of the expected testimony, affidavit or
11:21:31 2 declaration.

11:21:32 3 Their answer was they had not yet determined
11:21:35 4 what fact or expert witnesses it may call to testify at
11:21:38 5 trial.

11:21:38 6 The first time that we were advised that
11:21:41 7 Mr. Aquarius was going to be a witness in this case was
11:21:46 8 after the close of discovery.

11:21:48 9 For that reason alone, all his testimony
11:21:51 10 should be stricken.

11:21:53 11 Further, as I told you, we had contention
11:21:57 12 interrogatories to them, contention interrogatories
11:21:59 13 number eight regarding identifying the complete factual
11:22:02 14 basis for any contention the claims were invalid and
11:22:05 15 including the contentions as to the level of skill and
11:22:08 16 the facts underneath it. And then interrogatory number
11:22:13 17 six on noninfringement was the same thing. They provide
11:22:16 18 the contentions for noninfringement and all the facts
11:22:19 19 underlying that.

11:22:20 20 They never identified Mr. Aquarius or any of
11:22:23 21 his testimony or any of the things that they're
11:22:25 22 asserting to that they subsequently have identified in
11:22:30 23 deposition designations.

11:22:31 24 This is complete trial by ambush. It is a
11:22:33 25 complete surprise. Had we known by this, that they were

11:22:35 1 going to do this way back, then we would have deposed
11:22:39 2 Mr. Aquarius. He's not available. It's a week from
11:22:42 3 trial and therefore all that testimony should be
11:22:44 4 stricken.

11:22:44 5 Your Honor, I would also like to go into our
11:22:52 6 motion in limine number five. And, this was that any
11:23:00 7 invalidity, noninfringement nonenforceable patents not
11:23:07 8 pled.

11:23:07 9 THE COURT: Let me ask you to focus here.
11:23:09 10 It wasn't clear to me what you were trying to exclude.
11:23:11 11 What are you trying to exclude?

11:23:11 12 MR. ALTHERR: All right. Your Honor --
11:23:12 13 THE COURT: When I say that, I mean, is
11:23:14 14 there some specific testimony of a witness or evidence
11:23:17 15 that you have in mind?

11:23:19 16 MR. ALTHERR: Yes, Your Honor. For example,
11:23:24 17 in fact, I may have to ask for clarification.

11:23:26 18 One of the issues in our motion for summary
11:23:28 19 judgment was whether or not there were intervening
11:23:31 20 rights under Section 252. And, you issued an order on
11:23:36 21 that which I have to ask you for a little bit of
11:23:39 22 clarification. You said --

11:23:41 23 THE COURT: You said that there are no
11:23:42 24 reissued patents, something about no reissued patents.

11:23:46 25 MR. ALTHERR: Yes, sir. What the Court said

11:23:47 1 was the Court denies HP's motion for summary judgment on
11:23:51 2 the motion of whether 35 USC 252 precludes FPI from
11:23:57 3 recovering damages for infringement of the Perkins '837
11:23:58 4 patent before May 6, 2008 because this statute is
11:24:02 5 irrelevant in this case, as none of the patents asserted
11:24:05 6 here are reissued patent.

11:24:07 7 Now, that was a specific reason that we
11:24:09 8 asked you to grant the motion. I just didn't know if it
11:24:11 9 should be that the motion was granted, that 252 and
11:24:15 10 intervening rights is not an issue in the case because
11:24:19 11 there are no reissued patents in the case.

11:24:23 12 THE COURT: All right. I have to go back
11:24:24 13 and revisit that. Thank you.

11:24:26 14 MR. ALTHERR: But, along that lines -- in
11:24:28 15 their opposition for the very first time, they -- Pregis
11:24:32 16 raised the defense of latches and also they said or
11:24:37 17 other equitable defenses which they said would serve as
11:24:40 18 the basis for intervening rights.

11:24:42 19 They had never pled those defenses. They
11:24:44 20 were never otherwise raised during the discovery period.
11:24:47 21 The first time we heard about it was long after the
11:24:49 22 close of discovery when they opposed our motion for
11:24:52 23 summary judgment.

11:24:52 24 So, based on that, that's one of the types
11:24:55 25 of defenses that we were talking about, that they

11:24:59 1 shouldn't be able to raise them. And even if they could
11:25:02 2 raise them, they shouldn't raise them to the jury
11:25:05 3 because they're equitable concerns.

11:25:07 4 Other defenses that we were concerned with
11:25:09 5 respect to motion in limine number five was that whether
11:25:14 6 or not they were going to raise any other issues of
11:25:16 7 prior art which they haven't already disclosed to us.

11:25:19 8 Their experts have set forth certain bases
11:25:21 9 of prior art. They've identified six references in
11:25:24 10 their motions for -- in their responses to
11:25:27 11 interrogatories they've identified specific pieces of
11:25:29 12 prior art. But then in their statement under the --
11:25:33 13 required by the patent statute be submitted 30 days
11:25:36 14 before trial, they cited prior art that includes every
11:25:40 15 one of the patents that was cited in the prosecution
11:25:44 16 history, all of the deposition testimony from the prior
11:25:47 17 litigation that was involved.

11:25:48 18 And so I mean, potentially, there's all
11:25:51 19 different kinds of prior art that they may be trying to
11:25:54 20 bring in but we have never had the opportunity to take
11:25:56 21 any discovery with respect to.

11:25:57 22 This derivation defense which I suggest are
11:26:02 23 regard to Mr. Aquarius was one. Then they also
11:26:06 24 suggested that you know, he would -- Mr. Aquarius's
11:26:09 25 testimony would be a -- a defense to infringement saying

11:26:14 1 that they copied something that wasn't patented.

11:26:16 2 Well, they never raised that in response to
11:26:18 3 their interrogatories at any time during discovery. And
11:26:21 4 anticipation as opposed to obviousness, that's never
11:26:24 5 been asserted.

11:26:25 6 And, so these are the things we're concerned
11:26:27 7 that they are going to try to raise defenses which have
11:26:30 8 never been subject to discovery. And we think that's
11:26:33 9 improper. It's trial by ambush, and they should be
11:26:36 10 precluded from being prevented to present that.

11:26:38 11 THE COURT: All right.

11:26:44 12 MR. ALTHERR: Your Honor, if I can just --

11:26:51 13 THE COURT: As I said, you don't have to
11:26:53 14 argue every single one of these.

11:26:55 15 MR. ALTHERR: Well, it's just two others,
11:26:57 16 the comparison with products, and that's very clear from
11:27:01 17 the cases we've cited that there's no basis for --

11:27:05 18 THE COURT: Compare claims for an accused
11:27:07 19 device -- compare claims with the accused device.

11:27:11 20 MR. ALTHERR: That's correct, Your Honor.

11:27:12 21 THE COURT: I understand that.

11:27:13 22 MR. ALTHERR: And then also the issue that
11:27:14 23 they raised about Pregis's patent. Pregis cited a case
11:27:17 24 which is the Zygo case saying that the existence of a
11:27:20 25 patent is relevant determination of infringement.

11:27:23 1 That case if you read it, Your Honor, you'll
11:27:25 2 see it's only with respect to infringement being
11:27:27 3 asserted under the doctrine of equivalence saying that
11:27:31 4 if the -- there was a patent issued on it and it wasn't
11:27:35 5 obvious over the prior art, therefore it was a
11:27:38 6 substantial difference. And substantial difference
11:27:40 7 applies to doctrine of equivalence.

11:27:43 8 With respect to the '134 patent, the patent
11:27:46 9 we're talking about here, there is no issue of doctrinal
11:27:49 10 equivalence. We have asserted infringement literally by
11:27:51 11 the 5000 and therefore, they should not be permitted to
11:27:56 12 assert the fact that they got a patent or suggested it,
11:27:59 13 avoids infringement.

11:28:02 14 And then, I guess the only other final thing
11:28:05 15 they had, Your Honor, is for them not to suggest any
11:28:09 16 other relief that plaintiff -- or that Free-Flow
11:28:15 17 Packaging is seeking to the jury because that could lead
11:28:18 18 the jury to decide to give an artificially low award as
11:28:21 19 in may triple it, that or take other equitable
11:28:24 20 considerations in mind.

11:28:25 21 And, that pretty well covers the ground
11:28:28 22 work, Your Honor.

11:28:28 23 THE COURT: Thank you very much.

11:28:34 24 MR. DABNEY: Your Honor, let me start with
11:28:42 25 their motion in limine number seven which has to do with

11:28:48 1 Tom Wetsch.

11:28:50 2 As Your Honor is aware, Mr. Wetsch is
11:28:54 3 Pregis's vice-president of global product development.

11:28:57 4 Mr. Wetsch was the company's 30(b)(6) designee on the
11:29:03 5 issues of infringement and validity. Mr. Wetsch was
11:29:07 6 deposed for a full day. There has been total disclosure
11:29:11 7 of what Mr. Wetsch knows and he was actually --

11:29:13 8 THE COURT: So, is he being called as a fact
11:29:15 9 witness or an expert witness?

11:29:17 10 MR. DABNEY: He is being called as a fact
11:29:19 11 witness to the extent that he -- the distinction between
11:29:23 12 opinion and fact is one that's a little slippery here.

11:29:28 13 THE COURT: We want to avoid any slippage.
11:29:30 14 It seems to me that if you're asking him to compare the
11:29:34 15 accused device with the claims, that would be an
11:29:40 16 opinion, would it not?

11:29:41 17 MR. DABNEY: I assume that -- I don't
11:29:44 18 believe that's necessarily correct because Your Honor's
11:29:46 19 going to construe the claims and then the fact finder is
11:29:49 20 going to be asked to decide whether or not the legal
11:29:52 21 definition of the right as provided by the Court is or
11:29:55 22 is not found in a particular product. So I would say
11:29:57 23 that is not necessarily opinion testimony.

11:30:00 24 But, assuming for purposes of argument that
11:30:02 25 it is, under Rule 26, Mr. Wetsch, if he is shown by his

11:30:08 1 testimony to be qualified and in the position to render
11:30:14 2 expert testimony, there is nothing in Rule 26 that
11:30:16 3 precludes an employee of the company from being an
11:30:19 4 expert. It happens in trials all the time.

11:30:20 5 THE COURT: But experts are identified under
11:30:22 6 Rule 26 and their detailed information about their
11:30:27 7 opinions and the factual basis for it is also disclosed.

11:30:30 8 MR. DABNEY: Your Honor, that is only as to
11:30:33 9 specially retained experts who are not otherwise
11:30:37 10 employed by the company.

11:30:38 11 Rule 26 and those -- the experts who are
11:30:41 12 subject to that Rule 26 have provided reports and
11:30:43 13 there's absolute and total disclosure.

11:30:45 14 THE COURT: So your view is that Mr. Wetsch
11:30:47 15 is being called to offer opinions.

11:30:50 16 MR. DABNEY: To the extent that his
11:30:51 17 testimony is characterized as opinion testimony, we
11:30:54 18 believe that we have made full disclosure of what he
11:30:57 19 knows and had full opportunity to examine him. And to
11:31:00 20 the extent under the rules of evidence he is qualified
11:31:02 21 as an expert, that he's fully entitled to testify as
11:31:06 22 such.

11:31:07 23 There's been absolutely no failure of
11:31:09 24 disclosure of him, what he knows or any noncompliance
11:31:13 25 with Rule 26. I don't understand.

11:31:16 1 I mean, this is a -- Mr. Wetsch, if he is
11:31:19 2 shown to be competent, he should be permitted to testify
11:31:21 3 in a manner that is compliant with the Federal Rules of
11:31:25 4 Evidence.

11:31:25 5 THE COURT: Well, that's not telling me what
11:31:26 6 you think he's going to testify to.

11:31:28 7 MR. DABNEY: Well, let me give you what's
11:31:29 8 really going on here, Your Honor, because it relates
11:31:32 9 to -- it relates to the damages question that's been
11:31:35 10 brought up.

11:31:36 11 What happened in this case was that the
11:31:41 12 defendant took the view that its -- the claims in its
11:31:47 13 patent had a certain meaning, and that position was
11:31:51 14 persisted in through the summary judgment, in the expert
11:31:54 15 reports, in the deposition testimony and so on.

11:31:57 16 And in reliance on the defendant's
11:32:01 17 characterization of its own claims, one of the things
11:32:05 18 that Pregis has said from the beginning is these claims
11:32:09 19 are not valuable because we don't need the subject
11:32:13 20 matter that you say is your patented invention.

11:32:16 21 So one of the things that happened in this
11:32:17 22 case is that Pregis built and timely disclosed to the
11:32:21 23 other side a machine. And it's Pregis's position that
11:32:26 24 this machine is a noninfringing machine. The defendant
11:32:29 25 and their experts have inspected the machine, and this

11:32:34 1 machine will be proffered in evidence to show, among
11:32:37 2 other things that a reasonable royalty in this case
11:32:40 3 should be set very, very low because Pregis had
11:32:44 4 noninfringing alternatives available to it at all times.

11:32:47 5 Now, the only person who is fully
11:32:49 6 acknowledgeable about the machine and how long it took
11:32:52 7 to make and what its performance is is Mr. Wetsch.

11:32:56 8 THE COURT: Well, the things you just said,
11:32:57 9 how long it took to make, the decision to make it, the
11:33:00 10 design of it are factual judgments that the
11:33:02 11 vice-president for research could make.

11:33:04 12 But, if you ask him to compare the device
11:33:09 13 with the claims, that would be the subject matter of
11:33:15 14 expert testimony to me.

11:33:16 15 MR. DABNEY: Well, I'm not --

11:33:17 16 THE COURT: Because he's not an engineer.
11:33:19 17 He's not a scientist, is he?

11:33:21 18 MR. DABNEY: Yes, he is. Yes, he is.

11:33:23 19 THE COURT: But he's not the person who
11:33:24 20 actually created the machine, is he?

11:33:26 21 MR. DABNEY: He participated in the design
11:33:27 22 of the machine directly under his supervision, yes.

11:33:29 23 THE COURT: I'm sure of that because he's
11:33:31 24 the vice-president for research and development.

11:33:33 25 My question is his name is not Fuss, is it?

11:33:38 1 MR. DABNEY: No.

11:33:38 2 THE COURT: All right.

11:33:41 3 MR. DABNEY: So, what's going to happen then
11:33:43 4 is, Your Honor is going to construe the claims. And so
11:33:45 5 the jury and the parties are going to be provided with a
11:33:47 6 definition of what the target is. And one of the
11:33:50 7 questions that is going to be asked -- people are going
11:33:53 8 to be asked is, is what Your Honor says is patented, is
11:33:57 9 it found in this machine?

11:33:59 10 I don't know who would be more competent or
11:34:01 11 qualified than Mr. Wetsch, for example, to answer that
11:34:05 12 question, to the extent of his knowledge.

11:34:07 13 Now, he's of course, got to be subject to
11:34:10 14 cross-examination. The defendant has seen this machine.
11:34:12 15 And they can -- you know, I don't think there's any
11:34:16 16 dispute. The defendant haven't argued that this machine
11:34:18 17 is encompassed by its claims although we were thinking
11:34:22 18 that this was why the jury instructions were written as
11:34:24 19 they were. That's why we made the motion for claim
11:34:27 20 construction because it seems like they were trying to
11:34:29 21 make a last minute switch after they saw the revised
11:34:32 22 machine.

11:34:32 23 But, what I believe this argument about
11:34:34 24 Mr. Wetsch is going on is they want to prevent
11:34:37 25 Mr. Wetsch from describing what he did and why he

11:34:42 1 believes. And there's been no contrary assertion from
11:34:46 2 the other side that this machine that was made is not
11:34:49 3 described by the claims as the other side has
11:34:52 4 interpreted them.

11:34:52 5 So, there doesn't seem to be any dispute
11:34:55 6 that Mr. Wetsch, if he were qualified by experience,
11:34:59 7 training, skill in the art and training that he could
11:35:03 8 qualify as a person skilled in the art and therefore a
11:35:06 9 person to whom these claims are potentially addressed.
11:35:10 10 So there's no question as to his competence. If he
11:35:12 11 weren't competent, then of course, he couldn't address
11:35:14 12 this.

11:35:14 13 There's no obligation in Rule 26 that
11:35:16 14 company employees serve expert reports because they're
11:35:20 15 outside the scope of Rule 26.

11:35:22 16 They had --

11:35:25 17 THE COURT: All right, well --

11:35:26 18 MR. ALTHERR: I don't think that there's any
11:35:28 19 basis in the federal rules or in the rules of this Court
11:35:31 20 for preventing a competent witness from entering either
11:35:34 21 quote, "lay" unquote testimony or expert opinion
11:35:39 22 testimony if he is, in fact, an expert.

11:35:40 23 THE COURT: Well, I think that it's very
11:35:42 24 difficult for me to know in a vacuum without having read
11:35:45 25 the deposition of what questions we ask that would fall

11:35:49 1 within the purview of offering legal opinions from this
11:35:55 2 witness and whether it would qualify as lay opinion
11:35:58 3 testimony. That's one of the difficulties I have with
11:36:01 4 this particular motion. But, I understand your
11:36:06 5 position.

11:36:06 6 Let me ask you to turn to the motion
11:36:08 7 involving Mr. Aquarius. Was he identified?

11:36:12 8 MR. ALTHERR: Your Honor, he was not only
11:36:14 9 identified, Mr. Aquarius was deposed in the earlier
11:36:17 10 litigation between FP and Pactiv.

11:36:21 11 THE COURT: I'm sorry. My question was
11:36:23 12 imprecise. Was he identified in response to discovery?

11:36:27 13 MR. ALTHERR: Was he identified in response
11:36:29 14 to discovery? I -- I do not believe that in our
11:36:36 15 interrogatory answers -- I'd have to go back and look.
11:36:39 16 I do not believe his name was mentioned until after we
11:36:42 17 deposed Mr. Graham with regard to his testimony.

11:36:44 18 THE COURT: And, was Mr. Aquarius identified
11:36:49 19 before the discovery cutoff such that he could be deposed?

11:36:53 20 MR. DABNEY: Certainly, and he was deposed.

11:36:56 21 THE COURT: All right.

11:36:56 22 MR. DABNEY: The position -- both sides in
11:36:58 23 this case, both sides in the case, Your Honor, on the
11:37:02 24 last day of discovery identified in their pretrial
11:37:06 25 submissions -- this was like on November the 13th, both

11:37:09 1 sides identified deponents from the earlier case between
11:37:17 2 Pactiv and Pregis.

11:37:18 3 Mr. Aquarius was named in a patent
11:37:21 4 application that disclosed one of the machines which is
11:37:24 5 the object of all of this knock-off testimony that
11:37:27 6 they've brought up in this case.

11:37:29 7 And, we deposed Mr. Graham about him.

11:37:32 8 There's no doubt about who Mr. Aquarius was. Mr.
11:37:36 9 Aquarius was deposed and fully cross-examined by this
11:37:39 10 company on this same issue in this case -- in the
11:37:43 11 earlier case.

11:37:43 12 So the only thing that's coming in is the
11:37:45 13 deposition transcript under Rule 804 that was taken in
11:37:49 14 the Pactiv case.

11:37:51 15 Now --

11:37:52 16 THE COURT: What's in that deposition?

11:37:55 17 MR. DABNEY: What's in the deposition is the
11:37:57 18 description of the fact that the -- the defendant in
11:38:03 19 this case markets a machine in the United States that's
11:38:08 20 known as the EZ1 machine. And there is a major dispute
11:38:12 21 in this case over whether the EZ1 machine was, in fact,
11:38:17 22 invented and is properly argued by them to embody the
11:38:22 23 patented inventions of the Fuss and Perkins patents.

11:38:26 24 And, what Mr. Aquarius testified to and what
11:38:30 25 we have in the record is that he was the owner of the

11:38:36 1 machine maker who actually designed and made the EZ1
11:38:41 2 machine, that it was supplied to Free-Flow and that he
11:38:44 3 was named as a coinventor with a Free-Flow employee of
11:38:51 4 this machine.

11:38:52 5 And this was filed by Free-Flow with the
11:38:56 6 patent office. And there was a litigation that was
11:39:00 7 brought by Mr. Aquarius's company against Free-Flow
11:39:04 8 because they contended that Free-Flow was taking credit
11:39:10 9 for work that had been done by Mr. Aquarius. And so,
11:39:14 10 there was a deposition taken in the earlier case in
11:39:18 11 which Mr. Aquarius told how he had been the one who had
11:39:23 12 been giving information to Free-Flow and that he
11:39:29 13 objected when Free-Flow took out patents that were
11:39:33 14 trying to cut him and his company out.

11:39:35 15 THE COURT: All right.

11:39:37 16 Let me do this. We're going to take about a
11:39:41 17 ten-minute recess and we'll come right back. Thank you.

11:47:54 18 MR. DABNEY: Sure.

11:47:54 19 (Court recessed at 11:39 a.m. and reconvened
11:50:39 20 at 11:50 a.m.)

11:50:39 21 THE CLERK: 09 civil 467 Pregis continued.

11:50:46 22 THE COURT: Mr. Dabney, I want to be clear.
11:50:48 23 You were telling me that Mr. Aquarius was deposed in the
11:50:53 24 prior litigation?

11:50:54 25 MR. DABNEY: That's correct.

11:50:55 1 THE COURT: And, that your identification of
11:50:58 2 him as a witness in this case occurred at the time of
11:51:03 3 the final pretrial conference when you exchanged witness
11:51:06 4 list?

11:51:06 5 MR. DABNEY: I believe both sides identified
11:51:09 6 deponents from the earlier litigation in I think around
11:51:15 7 November 13th.

11:51:16 8 But during discovery, both sides had
11:51:18 9 exchanged to one another the deposition transcripts that
11:51:22 10 had been taken in that earlier case.

11:51:24 11 So it's not --

11:51:25 12 THE COURT: Well, where would Free-Flow know
11:51:30 13 that your plan was to assert that this EZ1 device was
11:51:39 14 invented by Mr. Aquarius and that somehow affected the
11:51:45 15 issue of infringement in this case?

11:51:47 16 MR. DABNEY: They would know that because
11:51:49 17 they asserted it in a patent application that Free-Flow
11:51:53 18 filed with the patent office and that was the subject of
11:51:55 19 the cross-examination of Mr. Graham which was another
11:51:57 20 part of their motion.

11:51:57 21 THE COURT: So then you never told them that
11:51:59 22 it was a part of your defense; is that right?

11:52:01 23 MR. DABNEY: No, that's not accurate at all,
11:52:03 24 Your Honor.

11:52:03 25 THE COURT: Well, my question was very

11:52:05 1 precise. I asked you to identify where you told
11:52:08 2 Free-Flow that it was your plan to assert a defense that
11:52:13 3 Mr. Aquarius was the actual inventor and that somehow
11:52:18 4 that testimony was going to bear on their defense of
11:52:21 5 noninfringement in this case. When did you tell them
11:52:26 6 that?

11:52:27 7 MR. DABNEY: We have denied their claim that
11:52:32 8 this EZ1 machine is an embodiment of the Fuss patent.

11:52:39 9 We have maintained from the beginning that
11:52:44 10 we denied infringement and that they were the first and
11:52:47 11 original inventors.

11:52:48 12 The Aquarius testimony was the subject of
11:52:52 13 cross-examination in the Pactiv case. Mr. Aquarius was
11:52:57 14 named an as inventor in an application that described
11:53:00 15 this machine. It was the subject of cross-examination
11:53:03 16 of Mr. Graham.

11:53:05 17 THE COURT: Okay. So, the answer is no you
11:53:07 18 didn't tell them in this case?

11:53:09 19 MR. DABNEY: I --

11:53:10 20 THE COURT: In response to -- contention
11:53:13 21 interrogatories and in response to identifying
11:53:15 22 individuals who have information about this case in your
11:53:18 23 defense, you did not identify Mr. Aquarius in this case?
11:53:21 24 That's correct, isn't it?

11:53:24 25 That can be answered yes or no.

11:53:27 1 MR. DABNEY: I'm reluctant to say flat yes
11:53:31 2 or no but it is true that we did not supplement this
11:53:34 3 particular interrogatory answer prior to our delivery of
11:53:37 4 the witness list in this case which was --

11:53:40 5 THE COURT: Mr. Dabney, we're going to spend
11:53:41 6 a lot of time together. And one of the things I'm
11:53:44 7 counting on you to do is to answer my questions because
11:53:46 8 it would help me and it helps the whole case move
11:53:49 9 forward.

11:53:50 10 The question I asked you was very simple.
11:53:51 11 You never identified Mr. Aquarius in response to a
11:53:55 12 contention interrogatory or any other request for
11:53:59 13 identification of witnesses before November 13th, 2009;
11:54:02 14 is that correct?

11:54:03 15 MR. DABNEY: We did not identify Mr.
11:54:11 16 Aquarius in the interrogatory answer that was --

11:54:14 17 THE COURT: Or anywhere else other than
11:54:16 18 November 13, 2009.

11:54:18 19 MR. DABNEY: The -- it's hard for me to
11:54:26 20 answer that, but I'll accept for purposes of today's
11:54:29 21 ruling that the -- the specific statement that the
11:54:38 22 deposition testimony of Mr. Aquarius was one -- was
11:54:42 23 something that Pregis intended to read out in court was
11:54:48 24 not specifically identified prior to about
11:54:52 25 November 13th.

11:54:52 1 THE COURT: Okay.

11:54:53 2 MR. DABNEY: On November 13th, we told them.

11:54:55 3 THE COURT: With respect to the motion in

11:54:58 4 limine number eight having to do with Mr. Cornell, the

11:55:07 5 damages expert, my recollection of his report says the

11:55:11 6 damages were zero or a hundred thousand dollars and that

11:55:14 7 was it.

11:55:14 8 MR. DABNEY: No, that's not accurate, Your

11:55:16 9 Honor.

11:55:16 10 THE COURT: Well, is it your view that he

11:55:20 11 would be allowed to observe the trial and after hearing

11:55:23 12 the various testimony of the FPI witnesses offer a

11:55:31 13 calculation based upon what he heard in court in the

11:55:34 14 trial? Is that what you're proposing to do?

11:55:36 15 MR. DABNEY: No, no.

11:55:43 16 THE COURT: Okay.

11:55:45 17 MR. DABNEY: What Mr. Cornell, what the --

11:55:48 18 what the defendant position is which is the legal

11:55:51 19 position, the legal framework is subject to issues like

11:55:56 20 intervening rights is that a person in Pregis's position

11:56:01 21 would not rationally pay more in royalties than it would

11:56:05 22 have to pay to do something other than engage in the use

11:56:09 23 of the patented subject matter.

11:56:12 24 Mr. Cornell in his report provided an

11:56:16 25 extensive economic explanation for why Pregis would not

11:56:21 1 pay more in royalties than it would have to have pay to
11:56:24 2 avoid infringement.

11:56:25 3 So, the point is there is a major dispute in
11:56:28 4 this case which is one of the reasons of the objection
11:56:32 5 of Mr. Wetsch with regard to whether or not Pregis has
11:56:37 6 an inexpensive way of avoiding the patent.

11:56:40 7 So, all that an expert such as Mr. Cornell
11:56:44 8 can do and all that their economic expert can do is to
11:56:49 9 base their opinions on the actual economic data that is
11:56:54 10 ultimately proved.

11:56:55 11 So that if the jury finds --

11:56:56 12 THE COURT: So, what you're telling me then
11:56:58 13 is Mr. Cornell is not going to testify to anything more
11:57:03 14 than things that have already been disclosed in this
11:57:06 15 report or deposition?

11:57:06 16 MR. DABNEY: That's basically right.

11:57:08 17 THE COURT: Okay, all right.

11:57:09 18 MR. DABNEY: That's basically right.

11:57:10 19 THE COURT: Okay. Then that's not a
11:57:12 20 problem.

11:57:12 21 MR. DABNEY: That's -- I think moots out
11:57:14 22 that issue. He is providing the conceptional framework
11:57:19 23 and then the actual proof of what the costs are is going
11:57:22 24 to come in through Mr. Wetsch.

11:57:25 25 THE COURT: All right. I want to ask you

11:57:26 1 about this claim about commenting on absent witnesses.

11:57:32 2 What is it that you propose to do as it

11:57:42 3 relates to the named inventors, and are you required to

11:57:46 4 call named inventors in a patent infringement lawsuit?

11:57:53 5 That was two questions. The first was, what

11:57:55 6 is it you propose to do with the two witnesses, about

11:58:00 7 the absence of the inventor witnesses? And two, are you

11:58:10 8 required to call inventors as witnesses in a patent

11:58:14 9 infringement suit?

11:58:15 10 MR. DABNEY: Okay. The patents that are at

11:58:19 11 issue in this case were applied for in 2005 and

11:58:26 12 subsequent years.

11:58:29 13 There is deposition testimony that the

11:58:32 14 individual who wrote the claims in the patents never

11:58:37 15 talked to the inventors and never asked them whether

11:58:40 16 they agreed that what he was now claiming was regarded

11:58:45 17 by them as an invention.

11:58:47 18 One of the issues in this case has to do

11:58:51 19 with the fact that these patents are coming out so late,

11:58:55 20 and the patents are claiming subject matter that's very

11:58:58 21 different than anything the named inventors ever said

11:59:01 22 they regarded as an invention -- as an invention.

11:59:05 23 THE COURT: Well, has it been your

11:59:06 24 experience in patent prosecution that the inventor

11:59:09 25 himself or herself actually writes out the claims and

11:59:12 1 that they know how to write a claim that would survive
11:59:16 2 prosecution in the patent office? Has that been your
11:59:19 3 experience?

11:59:19 4 MR. DABNEY: No.

11:59:21 5 THE COURT: All right. That an attorney
11:59:22 6 wrote a patent claim in and of itself is not significant
11:59:24 7 of anything, is it?

11:59:25 8 MR. DABNEY: Not in and of itself, no. But
11:59:28 9 here some of these patents claim subject matter that is
11:59:30 10 very different than the only subject matter the
11:59:34 11 applicants ever gave an oath and said that they regarded
11:59:38 12 as an inventor, they believe they were the first and the
11:59:41 13 original inventors of.

11:59:43 14 And so one of the problems here has to do
11:59:46 15 with the fact that the -- there was never any oath filed
11:59:53 16 in support of the claims being asserted.

11:59:56 17 Now, what happened here was way back in 1999
12:00:00 18 or 2000, the inventors gave an oath that said I believe
12:00:05 19 I'm the first and original inventor of the subject
12:00:07 20 matter claimed in those applications.

12:00:10 21 And there's no claim in this case that
12:00:13 22 Pregis has infringed those patents that they actually
12:00:16 23 swore to.

12:00:17 24 Then seven, eight years later, the patent
12:00:21 25 applications are filed that claim something very, very

12:00:25 1 different. And they never went back to the applicants
12:00:27 2 and said do you agree that this different thing over
12:00:30 3 here that we're claiming is regarded by you as an
12:00:34 4 invention?

12:00:34 5 And, it -- for whatever it's worth it seems
12:00:38 6 to me that if they do not call the named inventors in
12:00:43 7 whose name they prosecuted these patents to say yes, you
12:00:47 8 believe you were the first and original inventor not
12:00:50 9 just of what I was claiming back then but this new
12:00:53 10 stuff, it seems to me that is evidence or that is a fact
12:00:57 11 that can reasonably be taken into account in considering
12:01:02 12 whether or not the claim subject matter here really was
12:01:07 13 regarded as an invention by the named inventors.

12:01:11 14 THE COURT: And so the inference you'd want
12:01:13 15 the jury to adopt would be one that the 2005 amendment
12:01:18 16 was false because the inventors themselves did not sign
12:01:22 17 the oath of affirmation? And you want to argue that to
12:01:25 18 the jury?

12:01:26 19 MR. DABNEY: We want to argue that the
12:01:28 20 claimed subject matter is obvious and is trivial and
12:01:32 21 that they would never have put their name to an
12:01:36 22 application that recited such a trivial thing.

12:01:39 23 THE COURT: Well, how do you know that?
12:01:41 24 Have you deposed the inventors? Did the inventors say
12:01:44 25 that?

12:01:44 1 MR. DABNEY: The inventors were never asked
12:01:46 2 if they thought this.

12:01:47 3 THE COURT: No, but you just gave me a
12:01:49 4 declaration of what you thought the inventors thought.
12:01:51 5 And so, that is just argument of counsel. You don't
12:01:54 6 have any factual basis for that, do you?

12:01:56 7 MR. DABNEY: We have -- all we know is they
12:01:59 8 were never asked.

12:01:59 9 THE COURT: Well, help me. How does this
12:02:01 10 tend to prove or disprove the issue of infringement here
12:02:06 11 if you don't know what the inventors thought or said?
12:02:10 12 We don't know whether they were consulted or not by the
12:02:17 13 absence of an oath or affirmation. We don't know. And
12:02:20 14 no oath was submitted; is that right?

12:02:22 15 MR. DABNEY: Yes, we do. We most certainly
12:02:24 16 do. I examined --

12:02:25 17 THE COURT: The lawyer did not talk to the
12:02:27 18 inventors.

12:02:27 19 MR. DABNEY: That's absolutely right.

12:02:29 20 THE COURT: And the inventors never signed
12:02:30 21 the oath of affirmation. But we don't know what the
12:02:33 22 inventors themselves would say or would not say, do we?

12:02:37 23 MR. DABNEY: I guess a reasonable person
12:02:42 24 could infer that if the inventors said I review my
12:02:48 25 invention as this subject matter over here and then

12:02:51 1 seven or eight years later an application is made that
12:02:54 2 the claimed invention is really this other thing very
12:02:57 3 different over here, that they could infer that those
12:03:02 4 applicants might not necessarily have agreed with that
12:03:05 5 and that there was a reason why they didn't go back and
12:03:08 6 get an oath from the inventors for the new subject
12:03:10 7 matter.

12:03:12 8 THE COURT: I understand how you reach the
12:03:14 9 inference. The difficulty I have is the absence of
12:03:17 10 proof that there is something sinister about it. And I
12:03:24 11 assume that the inventors if they are still alive are
12:03:27 12 equally available to you; is that right?

12:03:29 13 MR. DABNEY: This is -- the issue here is --
12:03:33 14 is whether or not the failure to call the inventors can
12:03:38 15 be commented on --

12:03:40 16 THE COURT: I understand that.

12:03:40 17 MR. DABNEY: Yes.

12:03:41 18 THE COURT: I understand that.

12:03:42 19 MR. DABNEY: And it has been known to them
12:03:43 20 from the beginning that the -- Mr. Pedgram's expert
12:03:51 21 report and otherwise says that there's a serious
12:03:55 22 disconnect between what was claimed in these later
12:03:58 23 applications and the only think that the inventors ever
12:04:00 24 said that they regarded as their invention.

12:04:01 25 And it may be that as a matter of patent

12:04:04 1 office practice you can just file a photocopy of the
12:04:07 2 original affidavit and that will get you through the
12:04:09 3 patent office.

12:04:09 4 But that begs the question. Every patent
12:04:11 5 has to be supported by an oath that says I am the
12:04:14 6 original and first inventor of the machine manufacture,
12:04:18 7 improvements sought to be patented.

12:04:20 8 And, that was not done here. So --

12:04:24 9 THE COURT: All right.

12:04:26 10 MR. DABNEY: That's the point.

12:04:27 11 THE COURT: Okay. I've asked you the
12:04:30 12 questions that I have.

12:04:31 13 MR. DABNEY: If I could just comment on a
12:04:34 14 couple of the points that Mr. Altherr raised.

12:04:40 15 With regard to the patent that Pregis has
12:04:49 16 gotten on this, we believe that the law entitles Pregis
12:04:54 17 to put that in evidence as tending to show among other
12:04:58 18 things that the accused machine is not equivalent to
12:05:05 19 what they're claiming as their invention. I think the
12:05:10 20 law entitles us to do that.

12:05:12 21 And the suggestion that there is no issue of
12:05:14 22 equivalence in this case is not accurate. We believe
12:05:16 23 that whether they bear the burden or we do under the
12:05:19 24 reversed doctrine of equivalence it is relevant in this
12:05:23 25 case whether or not the Pregis machines operate in

12:05:25 1 substantially the same way as any machines or systems
12:05:28 2 that are disclosed in the patents in suit. So we do not
12:05:31 3 agree --

12:05:31 4 THE COURT: But we're talking about a
12:05:33 5 comparison of the '134 patent with the claims in the
12:05:38 6 patents at issue in this case?

12:05:41 7 MR. DABNEY: No, we're talking about whether
12:05:42 8 the -- the other side is taking the position, for
12:05:47 9 example, that the Pregis machine contains an element in
12:05:54 10 it that is described by the claim words, a sealing
12:05:59 11 mechanism comprising a block that has a source of heat.

12:06:03 12 And, it is the defendant's contention that
12:06:07 13 the claim words a block that has a source of heat
12:06:14 14 describes a certain structure in one of the Pregis
12:06:17 15 machines.

12:06:17 16 THE COURT: It says a pair of blocks I
12:06:19 17 believe.

12:06:19 18 MR. DABNEY: A pair of blocks and at least
12:06:21 19 one of the blocks has a source of heat.

12:06:23 20 THE COURT: Source of heat, correct.

12:06:24 21 MR. DABNEY: So, there are two questions
12:06:26 22 that are raised by that. Number one is, would a person
12:06:30 23 skilled in the art understand that that term in the
12:06:35 24 context of that patent, would a person skilled in the
12:06:38 25 art understand that as describing the structure that

12:06:41 1 they're pointing to in the Pregis machine.

12:06:43 2 That is by the way something that I believe
12:06:45 3 the evidence in trial will show that Mr. Wetsch, among
12:06:48 4 others, is fully competent to address.

12:06:52 5 But secondly, the next question that is
12:06:55 6 recognized under Supreme Court as well as Federal
12:06:59 7 Circuit precedent is, is the structure that they're
12:07:02 8 saying in the Pregis machine, is that structure
12:07:06 9 equivalent to what the claim language is pointing to in
12:07:10 10 the Fuss patent?

12:07:11 11 And we would say that it is not and that the
12:07:15 12 patent that was awarded to Pactiv now owned by Pregis
12:07:20 13 tends to show that it operates in a substantially
12:07:23 14 different way because the patent is specifically
12:07:25 15 directed to an improved sealing mechanism that does
12:07:29 16 operate in a substantially different way from anything
12:07:31 17 that the Fuss patents teach a skilled artisan to do.

12:07:36 18 So, therefore the doctrine of equivalence is
12:07:40 19 part of this case. The -- either it is because as a
12:07:45 20 legal matter the proponent of a patent must prove at
12:07:49 21 least that the accused subject matter is equivalent to
12:07:53 22 something that is claimed or alternatively there's
12:07:57 23 something in Federal Circuit called the reverse doctrine
12:08:00 24 of equivalence that would say that Pregis can defeat
12:08:04 25 liability even if a skilled artisan would say a block

12:08:07 1 that has a sort of heat is a phrase that crimes this
12:08:10 2 nichrome wire that's in the Pregis machines or the
12:08:14 3 support blocks that they're pointing to.

12:08:16 4 Even if that were true, if we succeeded in
12:08:19 5 demonstrating that it operated in a substantially
12:08:21 6 different way, then that would be an independent basis
12:08:24 7 for finding noninfringement under what the Federal
12:08:29 8 Circuit calls the reverse doctrine of equivalence, and
12:08:32 9 the cell patent is certainly relevant to equivalence in
12:08:38 10 that context.

12:08:39 11 THE COURT: All right.

12:08:40 12 MR. DABNEY: And so I don't think it would
12:08:41 13 be correct to say a priori that the cell patent cannot
12:08:45 14 be introduced in evidence for any purpose in this case.

12:08:48 15 The last thing I want to comment on is the
12:08:50 16 use of Mr. Pedgram for the purpose was identified in
12:08:56 17 our -- in our expert reports. There are basically two
12:08:59 18 points.

12:08:59 19 And I should say, by the way, that based on
12:09:01 20 Your Honor's summary judgment ruling a great number of
12:09:03 21 the things that Mr. Pedgram might have testified to will
12:09:07 22 not now be testified to.

12:09:08 23 If new matter is not an issue in this case
12:09:11 24 any more, well then obviously there would be no call for
12:09:14 25 introducing expert testimony with regard to new matter.

12:09:17 1 So, just lay to one side those subjects that are no
12:09:22 2 longer in the case.

12:09:23 3 If you were to see the prosecution history
12:09:24 4 of the Perkins patents in this case, Your Honor, they
12:09:27 5 would be a stack of paper that would stand about two and
12:09:32 6 a half feet high.

12:09:33 7 It involves multiple -- a lengthy chain of
12:09:37 8 applications and understanding what's in them, we
12:09:39 9 believe is best presented in question-and-answer format
12:09:43 10 rather than having the lawyer stand up and just sort of
12:09:45 11 read out what is in them.

12:09:48 12 So one of the things that Mr. Pedgram would
12:09:51 13 be called upon to do would be simply to introduce and
12:09:53 14 explain the factual contents to the extent they are
12:09:57 15 relevant of the prosecution histories of those patents.
12:10:00 16 And I don't think that there can be any serious
12:10:03 17 objection to his being called and used for that purpose.

12:10:06 18 THE COURT: Well, help me with how you
12:10:08 19 envision that would take place. Would it just be the
12:10:12 20 stack of documents in front of him and then him
12:10:14 21 describing the first application and the cover response
12:10:18 22 back and forth with the patent examiner? How would it
12:10:20 23 go?

12:10:20 24 MR. DABNEY: Well, let's take the example of
12:10:24 25 planar, for example. We have an application filed

12:10:26 1 July 22, 2005. So that's going to come into evidence.
12:10:28 2 That's an admission of the defendant. It filed. It has
12:10:32 3 certain drawings. It has certain disclosures. It has
12:10:36 4 certain claims. So that comes in.

12:10:37 5 I would expect that Mr. Pedgram would be a
12:10:41 6 person through whom we could introduce that application.
12:10:44 7 Then the next thing that happens is the application is
12:10:48 8 rejected and that the claims are narrowed. And the
12:10:51 9 narrowing and changing of the claims is something that
12:10:54 10 again would be something that would be put in so that
12:10:56 11 the jury would see the history as the patent application
12:11:00 12 was modified through times and the prior art that was
12:11:04 13 cited against it that the claims were amended to avoid
12:11:07 14 so that in trying to understand what planar means, for
12:11:11 15 example, you would see what was introduced into the
12:11:13 16 application at a certain time and what was there
12:11:15 17 originally.

12:11:16 18 So, part of understanding what planar means
12:11:19 19 and that's one of the points Your Honor asked me about
12:11:22 20 last Friday, we believe is elucidated very importantly
12:11:27 21 by seeing that the patent originally said substantially
12:11:31 22 planar. And then it was amended to have a new figure.

12:11:34 23 THE COURT: So, you'd have Mr. Pedgram
12:11:37 24 telling the jury all these things?

12:11:39 25 MR. DABNEY: Well, just the -- just to -- to

12:11:43 1 put in evidence the actual transactional facts that are
12:11:48 2 in the prosecution histories to the extent that they are
12:11:51 3 both admissible and relevant to issues in the case.

12:11:54 4 And, I don't think that that is
12:11:58 5 controversial. I think it would be helpful to
12:12:01 6 everyone's understanding to have a competent, qualified
12:12:05 7 experienced patent attorney to be the one to explain,
12:12:08 8 for instance, remarks, amendments. You know, the
12:12:12 9 nomenclature and the terms of art that are used in these
12:12:16 10 documents, they're not going to be familiar to people
12:12:18 11 who read them, continuation, continuation in part, those
12:12:22 12 types of terms.

12:12:23 13 So, part of the noninfringement defense in
12:12:26 14 this case will very definitely involve describing the
12:12:28 15 long history, what the invention was allegedly started
12:12:33 16 out being and how they seem to change their mind.

12:12:38 17 THE COURT: Well, figure 16 and 17 were
12:12:40 18 included in the amendment, things like that?

12:12:42 19 MR. DABNEY: Things like that, that's right,
12:12:43 20 that was not there originally. They added that.

12:12:45 21 THE COURT: Well, the concern I think has
12:12:47 22 been raised is whether you need an expert to tell us
12:12:50 23 that when the documents will speak for themselves.

12:12:53 24 Were you planning to have a chart of any
12:12:55 25 kind?

12:12:55 1 MR. DABNEY: A chart?

12:12:56 2 THE COURT: A chart.

12:12:57 3 MR. DABNEY: Well, we're still working on

12:13:00 4 our demonstratives, but I had not intended to use a

12:13:03 5 chart to --

12:13:04 6 THE COURT: So, you will a lawyer talk to us

12:13:06 7 for three hours about the prosecution history?

12:13:09 8 MR. DABNEY: I don't think it would be

12:13:10 9 anywhere three hours, Your Honor.

12:13:11 10 THE COURT: But still you think the jury is

12:13:13 11 going to pick up what continuation is, what an

12:13:16 12 application is just by hearing somebody talk about it?

12:13:18 13 MR. DABNEY: No, the point of the testimony

12:13:19 14 would be to show the sequence of events that resulted in

12:13:23 15 the ultimate claims that are being asserted.

12:13:26 16 THE COURT: All right. Well, let me ask you

12:13:27 17 this. If both sides were permitted to prepare a chart

12:13:34 18 that outlined the pertinent documents that you thought

12:13:37 19 were important from the prosecution history and the

12:13:41 20 terms that you've identified, for example, the issue of

12:13:44 21 substantially planar path was the actual application

12:13:48 22 claim and then the precisely planar path came up and

12:13:52 23 then finally they came back with planar path which later

12:13:55 24 resulted in an allowance after some other litigation,

12:13:59 25 wouldn't a chart demonstrating those things keyed to

12:14:03 1 documents be more helpful to a jury?

12:14:07 2 MR. DABNEY: It was my judgment, Your Honor,
12:14:10 3 that understanding this would be very much assisted by
12:14:14 4 explaining that this application was not allowed. And
12:14:20 5 then they changed it and the reasons for it was this
12:14:24 6 and --

12:14:24 7 THE COURT: When you say the reasons for it,
12:14:26 8 you mean the reasons contained in the document.

12:14:28 9 MR. DABNEY: Stated in the documents, yes.

12:14:29 10 THE COURT: But not offering an opinion
12:14:31 11 about what --

12:14:31 12 MR. DABNEY: No, no.

12:14:32 13 THE COURT: -- what the examiner did or did
12:14:33 14 not do?

12:14:34 15 MR. DABNEY: Because I can tell you that
12:14:36 16 I've been doing this for 20 years now. But, in my first
12:14:39 17 year, this was dense stuff. And I really feel that it
12:14:44 18 would be helpful to the jury to have these technical
12:14:48 19 patent prosecution documents presented in this fashion.

12:14:51 20 That's --

12:14:52 21 THE COURT: Well, I'm not familiar with
12:14:55 22 having a lawyer take the stand and do that which is why
12:14:58 23 I'm asking you all these questions.

12:14:59 24 MR. DABNEY: Okay.

12:15:00 25 THE COURT: Do you have any case or examples

12:15:02 1 you can give me of other courts where a lawyer has taken
12:15:03 2 the stand in the last five years or so to testify about
12:15:06 3 prosecution history and how it was --

12:15:08 4 MR. DABNEY: I'm confident that I could find
12:15:11 5 such -- I've done it in my own cases. I didn't know
12:15:14 6 this was going to be a controversial subject. But
12:15:16 7 I'm --

12:15:17 8 THE COURT: You've had a lawyer take the
12:15:18 9 stand and say --

12:15:19 10 MR. DABNEY: Yes.

12:15:19 11 THE COURT: -- this is what the document
12:15:20 12 says; this document says that?

12:15:21 13 MR. DABNEY: Yes, and in fact, you know,
12:15:24 14 when we get to the other -- the other issue that they've
12:15:27 15 raised, it has also been routine in patent litigations
12:15:31 16 where willfulness arguments, willfulness allegations are
12:15:35 17 made to have, you know, opinion counsel or somebody get
12:15:38 18 up and testify much more than that.

12:15:40 19 THE COURT: Well, you don't have opinion
12:15:42 20 counsel in this case, do you?

12:15:43 21 MR. DABNEY: Well, depending -- I would say
12:15:47 22 that that label has no intrinsic legal significance, but
12:15:55 23 I would suggest -- remember, this was a suit that
12:15:57 24 commenced before two of the patents even issued. And
12:16:00 25 the claim made by Free-Flow --

12:16:01 1 THE COURT: Well, I understand that part of
12:16:03 2 it.

12:16:03 3 MR. DABNEY: Yeah, yeah.

12:16:03 4 THE COURT: But, from the standpoint of
12:16:05 5 legal opinion about the lawfulness of conduct and
12:16:09 6 advising the client on rights and liability in
12:16:13 7 connection to an invention, that's not in this case. We
12:16:15 8 don't have any document like that. Nothing was
12:16:17 9 identified. Nothing was produced. Is that right?

12:16:20 10 MR. DABNEY: I would respectfully disagree.
12:16:23 11 Pregis has not waived the attorney/client privilege in
12:16:26 12 this case. That is --

12:16:27 13 THE COURT: No, my question wasn't about
12:16:29 14 waiver of attorney/client privilege. My question was
12:16:32 15 whether or not you disclosed that Pregis had an opinion
12:16:34 16 of counsel concerning these rights and liabilities with
12:16:37 17 respect to the accused devices.

12:16:39 18 MR. DABNEY: I would say that the Pedgram
12:16:41 19 expert report that was submitted in this case is
12:16:45 20 perfectly described by what Your Honor just said.

12:16:47 21 They filed an expert report on October 19th
12:16:52 22 that said we're violators of the law.

12:16:55 23 On October 29th, we provided the expert
12:16:57 24 report of John Pedgram in which he expressed the opinion
12:17:03 25 that under the objectively reckless standard, and this

12:17:07 1 is a new standard. It only came out in 2007 and it's
12:17:11 2 objective, not subjective.

12:17:12 3 And under the objectively reckless standard
12:17:14 4 it was his opinion that the conduct or position of
12:17:19 5 Pregis in this case were not objectively reckless.

12:17:21 6 THE COURT: Okay.

12:17:22 7 MR. DABNEY: So, I don't know -- I've given
12:17:24 8 quit a lot of thought to how a litigant deals with the
12:17:29 9 *Seagate* objective recklessness standard other than in
12:17:33 10 the way we're proposing to do here.

12:17:36 11 THE COURT: Is there any place in *Seagate*
12:17:37 12 where it says that the lawyers should take the stand and
12:17:40 13 offer the lawyer's position about the facts concerning
12:17:43 14 objective recklessness?

12:17:45 15 MR. DABNEY: What *Seagate* --

12:17:46 16 THE COURT: My question is very precise. Is
12:17:48 17 there any part of the *Seagate* opinion that you can cite
12:17:51 18 me to that says a trial judge should let a lawyer take
12:17:54 19 the stand and offer their opinion to the jury about
12:17:57 20 objective recklessness?

12:17:57 21 MR. DABNEY: No, there is nothing in *Seagate*
12:17:59 22 that says that.

12:17:59 23 THE COURT: Okay.

12:18:01 24 Mr. Dabney, I think I've asked you the
12:18:02 25 questions that I have. I'm prepared to rule now.

12:18:04 1 Thank you.

12:18:05 2 MR. DABNEY: Thank you, Your Honor.

12:18:08 3 THE COURT: All right. This matter is

12:18:09 4 before the Court on the motions in limine that were

12:18:12 5 filed here by Free-Flow Packaging, the defendant. And

12:18:17 6 it's called an omnibus motion in limine. There are 17

12:18:24 7 motions before the Court.

12:18:25 8 The parties have briefed the matter, and

12:18:26 9 I've had an opportunity to consider the briefs as well

12:18:28 10 as the arguments.

12:18:29 11 With respect to motion in limine number one,

12:18:32 12 excluding the testimony by patent law experts or to

12:18:36 13 offer their opinions regarding invalidity or

12:18:39 14 infringement concerning the merits of Pregis's

12:18:42 15 invalidity or noninfringement defenses, I'm going to

12:18:46 16 grant that motion because the testimony to me is not the

12:18:51 17 proper subject matter of expert testimony.

12:18:53 18 The testimony of an attorney about his view

12:18:55 19 of whether the patent is valid or invalid is not -- will

12:19:00 20 not aid the trier of fact. And it is not properly

12:19:05 21 encompassed within 702.

12:19:07 22 And I think that it would be -- the lawyers

12:19:10 23 will have plenty of opportunity here at the end of the

12:19:13 24 case to argue what their view is of what the facts are

12:19:16 25 and what conclusions the jury should draw. We're not

12:19:18 1 going to have a lawyer take the stand to offer that
12:19:22 2 testimony.

12:19:22 3 Now, there is some question about whether
12:19:24 4 Mr. Pedgram could testify about the prosecution history.
12:19:27 5 And I realize this is encompassed in another motion that
12:19:30 6 is before me as well, but let me go ahead and take that
12:19:32 7 issue on right now.

12:19:33 8 The prosecution issue documents come into
12:19:36 9 evidence. I don't think there's any question about
12:19:38 10 that. I think the law would allow the prosecution
12:19:41 11 history to come into evidence. The documents should
12:19:43 12 come in. I don't care if they're two feet tall or three
12:19:47 13 feet tall, they're admitted.

12:19:48 14 Now, the question becomes what can the
12:19:50 15 parties do with them and how can they presented it in a
12:19:53 16 fashion that would help the jury?

12:19:55 17 And here it may be that if Mr. Pedgram or a
12:19:58 18 witness for Pregis were to testify about their view of
12:20:02 19 the prosecution history in terms of what pertinent facts
12:20:06 20 are there, that actually might be helpful and it
12:20:09 21 actually may streamline the trial.

12:20:12 22 And Federal Rule of Evidence 1006 allows the
12:20:15 23 Court where there are voluminous writings which cannot
12:20:17 24 be conveniently examined to be presented in a form of a
12:20:21 25 chart or summary or calculation. And the originals have

12:20:24 1 to be made available for examination and copying by both
12:20:28 2 parties.

12:20:28 3 It seems to me that I can and I will afford
12:20:33 4 each side the opportunity to prepare a demonstrative
12:20:38 5 that is not argumentative that points to the aspects of
12:20:42 6 the prosecution history that each side believes bear on
12:20:47 7 the issues in this case of invalidity.

12:20:49 8 And, you are to exchange them. I'm not
12:20:53 9 going to require one side to include things that they
12:20:55 10 don't want to include. Each side can have their own.
12:20:58 11 And that would, I think, help the Court and help the
12:21:01 12 jury as they're looking at this stack of documents to be
12:21:05 13 able to compare each side's contention with the actual
12:21:09 14 documents themselves.

12:21:10 15 With respect to the motion in limine number
12:21:12 16 two, to exclude presentation of evidence regarding
12:21:15 17 inequitable conduct, false statements or procedure
12:21:18 18 irregularity before the PTO during prosecution of the
12:21:22 19 FPI's suit -- patents in suit or testimony by patent
12:21:26 20 expert on those issues, I'm going to grant the motion.

12:21:29 21 As far as I can tell, there is no issue
12:21:32 22 here of inequitable conduct or false statements that has
12:21:36 23 been identified and I -- I'm excluding it now to save us
12:21:44 24 the time. And if there is something in particular that
12:21:48 25 either side believes falls within the purview of this

12:21:51 1 ruling that you believe is somehow relevant, bring it to
12:21:54 2 my attention before the witness is called at trial and
12:21:56 3 I'll take it up then. But for right now, it's excluded.

12:22:00 4 As it relates to number three, whether the
12:22:04 5 Court should preclude presentation of evidence or
12:22:07 6 testimony regarding latches or other equitable defenses
12:22:10 7 that Pregis failed to plead or identify during
12:22:14 8 discovery, I'm going to grant the motion as it relates
12:22:17 9 to latches or other equitable defense that have not been
12:22:21 10 identified. Whatever they are, they should have been
12:22:24 11 identified well before now.

12:22:25 12 And the difficulty that I have again is I
12:22:31 13 don't know if there's something in particular that the
12:22:36 14 moving party is trying to exclude. So, it seems to me
12:22:42 15 that at this moment, that there is no latches defense
12:22:48 16 that was asserted. So, the evidence of latches will be
12:22:51 17 excluded.

12:22:51 18 Let me reserve on other equitable defenses
12:22:54 19 because I don't -- I don't know this particular evidence
12:22:56 20 has been identified. So I'm going to deny that aspect
12:22:59 21 of other defenses without prejudice. That is to say
12:23:01 22 that FPI's not identified a particular evidence.

12:23:05 23 And so, if there's something in particular
12:23:07 24 that comes up that falls within the purview of equitable
12:23:11 25 defenses, you have to tell me about it and I will

12:23:13 1 consider that objection at that time.

12:23:14 2 With respect to motion in limine number four
12:23:17 3 to preclude Pregis from relying upon any opinion of
12:23:20 4 counsel as a defense to willful infringement, it seems
12:23:25 5 to me that no opinion of counsel is identified as a
12:23:27 6 defense of willful infringement in discovery or in
12:23:31 7 connection with contention interrogatories. No lawyer
12:23:34 8 was deposed for Pregis. So that motion is granted.

12:23:40 9 And, it would also confuse the jury on the
12:23:45 10 issue of willfulness if some witness were to come in and
12:23:48 11 say, well, in my view, the acts here of Pregis were not
12:23:52 12 willful.

12:23:53 13 With regard to motion in limine number five,
12:23:59 14 offering -- preclude Pregis from offering evidence or
12:24:04 15 testimony regarding any defense, including invalidity,
12:24:07 16 noninfringement or unenforceability defense that Pregis
12:24:09 17 did not plead or identify in interrogatory responses,
12:24:12 18 I'm going to deny that motion because no specific
12:24:14 19 evidence has been identified. And I'm unwilling to give
12:24:17 20 some blanket exclusion without knowing just what I'm
12:24:21 21 being asked to exclude.

12:24:22 22 With respect to motion in limine number six,
12:24:24 23 to preclude Pregis from offering evidence or testimony
12:24:28 24 regarding any derivation defense, and this has to do
12:24:31 25 with Mr. Aquarius, I'm going to grant that motion.

12:24:34 1 Mr. Aquarius was not identified in response
12:24:37 2 to contention interrogatories or otherwise in this case,
12:24:43 3 until November 13, 2009. And at that point, Pregis was
12:24:49 4 identifying his deposition from a prior litigation.

12:24:52 5 So I think that it was insufficiently
12:24:54 6 disclosed, and so it will be excluded as it relates to
12:24:59 7 Mr. Aquarius. And I do not think derivation is an issue
12:25:05 8 in this case, so I'm granting that motion as well.

12:25:09 9 Number seven, preclude Pregis from offering
12:25:13 10 any lay testimony on the issues of infringement and
12:25:16 11 validity. This has to do with the testimony of
12:25:19 12 Mr. Wetsch who apparently was deposed, is the
12:25:23 13 vice-president for research and development and was
12:25:26 14 involved with the development of the accused devices,
12:25:30 15 accused devices and is very familiar from his background
12:25:32 16 with the technical issues before the Court as well.

12:25:35 17 Given that he was deposed in this case, his
12:25:41 18 identity has been known throughout, he was not required
12:25:44 19 to provide a report under Rule 26. So, I will not --
12:25:50 20 I'll deny motion in limine number seven to the extent it
12:25:54 21 seeks to exclude Mr. Wetsch.

12:25:59 22 As it relates to any other witness
12:26:01 23 testimony, you'll have to object at the time. I'm
12:26:03 24 denying without prejudice as it relates to any other
12:26:05 25 witness. But as it relates to Mr. Wetsch, he can

12:26:08 1 testify.

12:26:08 2 As it relates to number eight, preclude
12:26:12 3 Pregis from introducing testimony through its experts
12:26:16 4 beyond the scope of the 26(a)(2)(b) report, again, I
12:26:23 5 don't know what opinions the moving party here is
12:26:30 6 seeking to exclude. And so, I'm going to deny the
12:26:35 7 motion without prejudice because I'm not going to make
12:26:38 8 some blanket judgment without knowing what the
12:26:41 9 particular testimony is.

12:26:43 10 Obviously, the written reports and
12:26:46 11 deposition testimony would seem to be the boundaries of
12:26:50 12 expert testimony. But, I'm not willing to make any
12:26:54 13 judgment without some specific identification of
12:26:58 14 evidence.

12:26:59 15 So, objections have to be made at trial. So
12:27:01 16 the motion on number eight is denied without prejudice.

12:27:07 17 Number nine and that is whether to preclude
12:27:11 18 Pregis from introducing testimony through its damage
12:27:14 19 expert, Mr. Bradford Cornell regarding the appropriate
12:27:17 20 amount of damages based upon the reasonable royalty
12:27:20 21 analysis, I'm going to grant that motion to the extent
12:27:26 22 that Mr. Cornell's attempt to offer alternative
12:27:30 23 calculations derived from hearing testimony at trial the
12:27:38 24 items exposed in his report or deposition testimony
12:27:39 25 would be admissible.

12:27:41 1 As it relates to motion in limine number ten
12:27:45 2 which has to do with precluding Pregis from inferring,
12:27:49 3 suggesting or listing testimony that the fact that
12:27:52 4 Pregis obtained its own patent on the AirSpeed 5000
12:27:57 5 machine is evidence of noninfringement, it seems to me
12:28:04 6 that the issue before the Court is whether the accused
12:28:06 7 device contains all the elements of the claims or the
12:28:13 8 patents in issue. That is not a matter of comparing
12:28:17 9 machine to machine. It is a matter of comparing the
12:28:20 10 patent in issue claimed with the accused devices which
12:28:23 11 may be the AirSpeed 5000 or others.

12:28:26 12 I think that the fact that there is a patent
12:28:31 13 from the '134 by -- held by Pregis is admissible. It is
12:28:41 14 relevant, and it can be presented to the jury in
12:28:49 15 response to claims of infringement. That is to say that
12:28:53 16 as I understand it, the claim -- the issues here involve
12:28:57 17 actual -- direct infringement or actual infringement and
12:29:01 18 infringement of a doctrine of equivalence. And it seems
12:29:03 19 to me that evidence of the accused device's origin, what
12:29:11 20 it encompasses and all those things are subject to --
12:29:16 21 proper matter of expert testimony and the fact that the
12:29:19 22 '134 patent is relevant.

12:29:21 23 But again, Pregis cannot argue that the fact
12:29:29 24 that they have a '134 ipso facto means that the AirSpeed
12:29:35 25 5000 machine does not infringe.

12:29:38 1 Rather, Pregis can argue that the '134
12:29:42 2 patent and that its accused machines to the extent they
12:29:47 3 have testimony to support it are not encompassed within
12:29:49 4 the claims in issue.

12:29:50 5 So, it's a comparison of claims with accused
12:29:52 6 devices, not product to product.

12:29:54 7 With respect to motion in limine number
12:29:58 8 eleven, the Court should precluded Pregis from offering
12:30:05 9 any evidence or testimony that AirSpeed 5000 machine
12:30:07 10 would infringe the '150 other than FPI's contention
12:30:12 11 interrogatory response from the FPI Pactiv litigation.

12:30:20 12 I will grant the motion to preclude that
12:30:30 13 under 402 and 403.

12:30:42 14 Motion in limine 12 has to do with preclude
12:30:47 15 Pregis from offering any evidence or testimony regarding
12:30:50 16 noninfringement based upon the comparison of accused
12:30:53 17 Pregis products and any FPI products.

12:30:55 18 As I stated a moment ago, I'm granting that
12:30:57 19 motion to the extent there's an attempt to compare
12:31:00 20 device to device, accused Pregis products with any FPI
12:31:08 21 products. That does not preclude Pregis from comparing
12:31:12 22 the accused devices to FPI's patented claims.

12:31:14 23 With respect to motion in limine number 13,
12:31:17 24 14, and 15, let me take up 13 and 14 together. I'm
12:31:22 25 going to grant 14, that the objections will not be read

12:31:26 1 to the jury as unopposed.

12:31:28 2 With respect to 13 concerning evidence of
12:31:32 3 testimony about Pregis's claim under the Administrative
12:31:35 4 Procedure Act, that is also granted unopposed.

12:31:38 5 With respect to number 15 having to do with
12:31:40 6 commenting, may Pregis comment on the failure of FPI to
12:31:44 7 call the inventors or any other witnesses at trial, now
12:31:48 8 that I've heard the description of what Pregis wants to
12:31:50 9 do, the motion is denied.

12:31:53 10 I'm sorry -- the motion to preclude that is
12:31:56 11 granted, and Pregis may not comment on FPI's failure to
12:32:03 12 call the inventors as witnesses at trial because Pregis
12:32:07 13 has no factual basis for the jury to draw any inference
12:32:12 14 against FPI's failure to have the inventors sign an oath
12:32:19 15 or affirmation the amendment to the patent application
12:32:23 16 in 2005.

12:32:24 17 Now, whatever the facts are supporting that,
12:32:26 18 you can certainly present those facts. And if the
12:32:30 19 attorney testified that he did not talk to the inventors
12:32:33 20 about the claims, you certainly can bring that up on
12:32:36 21 cross-examination and in your argument. But, you can't
12:32:39 22 argue that the failure to produce the witnesses somehow
12:32:44 23 should result in drawing a negative inference against
12:32:49 24 FPI.

12:32:50 25 As it relates to number 16, preclude Pregis

12:32:56 1 from making any reference to the motion in limine or
12:32:59 2 objections FPI may make in deposition designations, that
12:33:03 3 is granted as unopposed.

12:33:04 4 And 17, having to do with the motion to
12:33:08 5 preclude Pregis from introducing arguments -- evidence
12:33:11 6 relating to additional relief sought by FPI which I
12:33:15 7 infer to be their claims for equitable relief like
12:33:19 8 injunction, that motion is granted unopposed.

12:33:21 9 So that is the ruling of the Court on the
12:33:23 10 motions in limine filed here by FPI.

12:33:30 11 Now, let's turn to Pregis's motions in
12:33:37 12 limine regarding inadmissible evidence to the extent
12:33:41 13 that there's more left. I'm going to let in the
12:33:45 14 prosecution history. I've just told you all that.

12:33:48 15 So, what remains to be argued is the issue
12:33:50 16 of knockoff or FPI -- FP knockoff, it seems to me.

12:34:22 17 Tell me how the testimony comes up and why
12:34:24 18 it should be included.

12:34:25 19 MR. DABNEY: Well, I think one of the Your
12:34:27 20 Honor's ruling that Your Honor just made actually bears
12:34:30 21 on this issue.

12:34:33 22 The -- motion in limine number 12 that Your
12:34:37 23 Honor's just ruled on, it's comparison, claim to product
12:34:41 24 not product to product, from what we understand, before
12:34:47 25 Pregis was formed when the Pactiv 5000 machine was

12:34:52 1 built, there was some of the people who were involved in
12:34:55 2 that who apparently had obtained a sample of the
12:34:59 3 Aquarius machine and had -- had -- and other third party
12:35:06 4 machines. And a couple of the people involved
12:35:10 5 apparently used the phrase knockoff or FP knockoff to
12:35:17 6 describe what they were trying to make.

12:35:19 7 THE COURT: Who is they? And what was their
12:35:22 8 responsibility in the company?

12:35:24 9 MR. DABNEY: The documents -- the evidence
12:35:27 10 includes a handwriting note of somebody from Wisconsin
12:35:32 11 by the name of Winiecki who was not deposed by them.
12:35:37 12 And one of the people was a former marketing person at
12:35:43 13 Pactiv by the name of Thomas Trauscht who was deposed.
12:35:50 14 And one of the individual was a person by the name of
12:35:52 15 Allen Box who is named as a coinventor on the patent
12:35:57 16 that --

12:35:57 17 THE COURT: How is his last name spelled?

12:35:59 18 MR. DABNEY: I'm sorry.

12:36:00 19 THE COURT: How is his last name spelled?

12:36:02 20 MR. DABNEY: Box, B-O-X.

12:36:05 21 THE COURT: Okay. He listed as an inventor,
12:36:06 22 you said?

12:36:07 23 MR. DABNEY: Yes, he is named coinventor of
12:36:10 24 the Pregis patent.

12:36:10 25 And so, what happened in this case was

12:36:15 1 because there were in these handwritten notes of
12:36:20 2 Mr. Winiecki, there was a reference to FP knockoffs.
12:36:30 3 This became a phrase that was used in questions over and
12:36:33 4 over again. And, what did you want to do with this FP
12:36:37 5 knockoff, and was the FP knockoff this, and was the FP
12:36:42 6 knockoff that.

12:36:43 7 And, it is Pregis's position that this
12:36:47 8 phrase is slang. It has no well understood meaning
12:36:55 9 that's relevant to this case, and it's very obviously
12:36:59 10 being proffered.

12:37:00 11 There's only been one purpose -- one purpose
12:37:04 12 identified by the other side for why the jury in this
12:37:08 13 case involving patents in 2008 and 2009 should hear
12:37:12 14 testimony from third parties that in 2002 and 2003 when
12:37:18 15 they were working on the design of the Pactiv 5000
12:37:24 16 machine, one or more of them said that what they were
12:37:27 17 trying to make was an FP knockoff.

12:37:30 18 The argument that is made is that one of the
12:37:37 19 secondary considerations of nonobviousness is copying.
12:37:42 20 And we agree with that.

12:37:44 21 However, as Your Honor's ruling today makes
12:37:47 22 clear, what's relevant in a case like this are the
12:37:51 23 claims. And in order for copying to be probative of
12:37:55 24 nonobviousness, the person who copied must have copied
12:37:58 25 something that's claimed as an invention and have done

12:38:02 1 that instead of designing around the patent.

12:38:05 2 So, it stands to reason that if it was so
12:38:07 3 obvious and so trivial, they would have done something
12:38:10 4 else.

12:38:10 5 We say that this argument of theirs has
12:38:15 6 enormous capacity to confuse and mislead because, number
12:38:19 7 one, they're doing the exact thing they just persuaded
12:38:22 8 Your Honor should not be done, which is to compare
12:38:24 9 product and product rather than claim and accused
12:38:27 10 subject matter, number one.

12:38:29 11 And, also, it occurred at a time six or more
12:38:40 12 years before these patents issued. And so, therefore,
12:38:42 13 it just does not have any tendency to show the
12:38:46 14 nonobviousness of what's now being claimed.

12:38:49 15 I would say, also, that this testimony is
12:38:52 16 itself highly ambiguous as to what even the speakers
12:38:57 17 meant by FP knockoff. Because if you read the testimony
12:39:01 18 of Mr. Trauscht which Free-Flow has put in, what the man
12:39:04 19 said was, we were trying to build a machine that was
12:39:10 20 compact, that was of a certain weight, that didn't have
12:39:12 21 an external source of compressed air that would be a
12:39:15 22 freestanding machine.

12:39:17 23 And so the term itself is not only slang and
12:39:21 24 ambiguous, but as used by those witnesses at that time.
12:39:24 25 It simply did not and could not have possibly have said

12:39:27 1 what we're trying to knockoff is the claimed invention
12:39:31 2 that came into existence six or seven or eight years
12:39:34 3 later.

12:39:34 4 So, we would respectfully submit that the
12:39:37 5 people who made these utterances passing over all
12:39:41 6 questions of admissibility as to the utterances of
12:39:45 7 themselves, that characterization of what they were
12:39:49 8 doing in 2002 and 2003 cannot be deemed relevant
12:39:55 9 evidence of whether the subject matter that was claimed
12:39:58 10 for the first time in 2008, 2009 --

12:40:02 11 THE COURT: Well, would the time be the time
12:40:03 12 of the invention or the time it was -- the patent
12:40:06 13 issued?

12:40:07 14 MR. DABNEY: The focus of obviousness is the
12:40:11 15 claimed subject matter. Now, for legal -- it's very
12:40:14 16 important to understand. It's a great question, Your
12:40:16 17 Honor.

12:40:16 18 THE COURT: So, would you answer it first
12:40:18 19 and then give me your explanation.

12:40:20 20 MR. DABNEY: Yes. It's time when the claim
12:40:22 21 was made and allowed. And the reason for that is the
12:40:28 22 following.

12:40:32 23 For prior art purposes, the statute says
12:40:35 24 that a claim relates back to the earliest effective
12:40:39 25 filing date. That's true.

12:40:40 1 But, if what you're arguing about is that
12:40:44 2 something claimed much later is nonobvious subject
12:40:48 3 matter when this claim is very different than anything
12:40:51 4 existed before, well then, in terms of the logic that
12:40:55 5 copying supports a conclusion of nonobviousness, you've
12:40:59 6 got to be looking at the claim not the legal status of
12:41:03 7 the claim. It's the claim itself.

12:41:05 8 So, in this case, if this claim had existed
12:41:08 9 in 2002 and that was something to be avoided, if what
12:41:13 10 had happened is that they had nevertheless infringed or
12:41:18 11 copied that instead of doing something else, then that
12:41:21 12 would be when that would apply.

12:41:23 13 But since these claims undeniably did not
12:41:26 14 exist at that time and these claims as they say, Your
12:41:29 15 Honor, has ruled, the summary judgment motions are
12:41:31 16 different than what was claimed previously. It's just
12:41:35 17 not logical to say because in 2002 some people in some
12:41:40 18 handwritten notes to say common sense, we want to build
12:41:42 19 an FP knockoff, in ambiguous term that that has some
12:41:48 20 tendency and logic to show that subject matter that was
12:41:50 21 claimed to be an invention for the first time in 2008
12:41:54 22 and 2009 is not obvious subject matter.

12:41:56 23 THE COURT: Thank you.

12:41:57 24 MR. DABNEY: All right. So --

12:41:59 25 THE COURT: Thank you.

12:42:00 1 MR. DABNEY: Thank you.

12:42:05 2 MR. WRIGHT: Brad Wright, Your Honor.

12:42:07 3 First, let's be clear the term FP knockoff

12:42:12 4 did not originate with the attorney who took the

12:42:14 5 deposition.

12:42:14 6 The term FP knockoff appeared on a document

12:42:17 7 that was produced during discovery and the deponent,

12:42:24 8 Mr. Trauscht admitted that that term had been used by

12:42:28 9 him and others during the development of a program whose

12:42:30 10 purpose it was to analyze and emulate competitor

12:42:30 11 products.

12:42:38 12 So the fact that our attorney started using

12:42:39 13 it in questioning, it didn't originate with our

12:42:42 14 attorney. It originated with the deponent himself. He

12:42:45 15 was talking about his personal experience.

12:42:46 16 And let me just say we're have happy to

12:42:48 17 stipulate. We have no intention of using this testimony

12:42:51 18 to show willful infringement. We are, however, entitled

12:42:54 19 to rely on the testimony to show nonobviousness.

12:42:58 20 The case law is quite clear on this and let

12:43:00 21 me address Mr. Dabney's argument about the time of the

12:43:03 22 invention.

12:43:04 23 We have cited in our papers the *Advanced*

12:43:07 24 *Display Systems*, Federal Circuit case from 2000 and

12:43:11 25 others that show that the relevant time for the copying

12:43:14 1 inquiry as it relates to nonobviousness is the time of
12:43:18 2 the invention as it relates to the filing date of the
12:43:21 3 patent.

12:43:22 4 The filing date of the patent here, Your
12:43:24 5 Honor, has already ruled we're entitled to our priority
12:43:27 6 claims going all the way back to 1999.

12:43:29 7 Mr. Dabney would apparently have you revisit
12:43:32 8 that and set up a new set of timelines when every set of
12:43:35 9 claim was first presented.

12:43:36 10 And according to Mr. Dabney, it's not
12:43:38 11 sufficient to show copying of the product that was in
12:43:41 12 existence, but you then have to -- we would have to
12:43:44 13 establish copying of each patent that issued as time
12:43:48 14 went by where the claims were different.

12:43:50 15 Well, that's simply not the case law, Your
12:43:55 16 Honor. And so, we think it's clear.

12:43:56 17 As to the prejudice, Your Honor, the term FP
12:43:58 18 knockoff, as I said, didn't originate with us. It
12:44:02 19 originated with the deponent. The deponent was an
12:44:05 20 employee of Pactiv at the time, a predecessor in
12:44:09 21 interest. He continued to work for Pregis after that.
12:44:11 22 He no longer works for Pregis.

12:44:13 23 We're not trying to attribute this to
12:44:15 24 Pregis. What's relevant is the evidence of copying by
12:44:17 25 others in the field.

12:44:18 1 And if you look at the Advanced Display --

12:44:21 2 THE COURT: Well, you're talking about a

12:44:22 3 machine, the Pactiv 5000 Air Cushion machine, that was

12:44:28 4 the subject matter of the other lawsuit; wasn't it?

12:44:31 5 MR. WRIGHT: Yes, that is correct.

12:44:34 6 THE COURT: But, in this case, we have

12:44:35 7 something called the AirSpeed 5000.

12:44:38 8 MR. WRIGHT: Yes, it's the same device.

12:44:40 9 They changed the name after Pregis took it over.

12:44:43 10 THE COURT: But the other lawsuit is

12:44:44 11 resolved? That's done?

12:44:45 12 MR. WRIGHT: Yes, that's right.

12:44:46 13 THE COURT: So, why is this product in this

12:44:47 14 case FP knockoff? Why would it apply to this case?

12:44:51 15 MR. WRIGHT: Well, it's evidence that shows

12:44:52 16 that other people appreciated that the FP design which

12:44:58 17 in this case was a prototype at the time. It was called

12:45:01 18 the Cell-O EZ was recognized by others as worthy of

12:45:07 19 copying.

12:45:07 20 And that tends to show that it would not

12:45:09 21 have been obvious to produce this claimed invention.

12:45:13 22 And the case law is very clear on that, and we have

12:45:16 23 cited the *Advanced Display Systems*.

12:45:18 24 In that case, they relied --

12:45:19 25 THE COURT: Well, it's not uncommon for

12:45:22 1 competitors to examine other products on the marketplace
12:45:25 2 and reverse engineer and try to see if they can improve
12:45:28 3 upon the device. That's not uncommon.

12:45:30 4 MR. WRIGHT: You're absolutely right, Your
12:45:31 5 Honor. But the fact that it goes beyond that. The use
12:45:33 6 of the term knockoff implies they were trying to copy
12:45:36 7 it.

12:45:36 8 And there's other testimony in here. Of
12:45:36 9 course --

12:45:36 10 THE COURT: Well, I'm not so sure about
12:45:38 11 that. I remember when computers came out in the 1980s,
12:45:41 12 I think in 1983, I had my first computer on my desk. We
12:45:45 13 called it an IBM clone, but it wasn't an IBM. It was
12:45:49 14 just like an IBM. It had a hard drive and used MS DOS.
12:45:54 15 You may able to old enough to remember that, and we
12:45:56 16 called them IBM clones. And that doesn't necessarily
12:45:58 17 mean that they were infringing upon the IBM patents if
12:46:01 18 it was a different device and it had some changes in it,
12:46:04 19 does it?

12:46:05 20 MR. WRIGHT: No, Your Honor, but it's not
12:46:07 21 necessarily to establish that they identically copied
12:46:11 22 it.

12:46:11 23 THE COURT: No, I'm focused on the term and
12:46:13 24 under 403 whether to allow it in or not.

12:46:16 25 And there are three things that stand out.

12:46:18 1 First we're talking about a different device. The
12:46:23 2 timing of this issue is a problem. It seems to me that
12:46:26 3 the other lawsuit has handled some of these issues
12:46:30 4 involving these FP Pactiv device.

12:46:36 5 The term was used by a couple of marketing
12:46:41 6 person -- what's Mr. Trauscht's title? What is his
12:46:47 7 title?

12:46:48 8 MR. WRIGHT: I don't know what his title is
12:46:49 9 but he was on the technical team designing the machine.
12:46:52 10 So he's in the thick of it.

12:46:53 11 THE COURT: Right.

12:46:56 12 MR. WRIGHT: Your Honor, if I may, is it
12:46:58 13 possible that perhaps a jury instruction that instructs
12:47:02 14 the jury not to pay too much attention to the term might
12:47:06 15 cure this problem.

12:47:07 16 The difficulty for us is because the witness
12:47:09 17 started using the term and our attorney questioning him
12:47:11 18 used the term, this is going to end up striking a lot of
12:47:15 19 the evidence of copying from the case.

12:47:18 20 So, there's no other way to get this in
12:47:20 21 because it's in the questions. So perhaps you can
12:47:23 22 instruct the jury that the term FP knockoff by itself
12:47:28 23 shouldn't take on too much significance. And now here
12:47:30 24 we have the testimony about their program that's set up
12:47:32 25 to examine competitors products and emulate those

12:47:36 1 products.

12:47:36 2 THE COURT: All right, thank you.

12:47:42 3 I'm going to grant the motion to exclude the
12:47:45 4 term knockoff, FP knockoff, which in my view refers to
12:47:50 5 this Pactiv 5000 Air Cushion machine.

12:47:53 6 It was the subject of prior litigation in
12:47:56 7 the Free-Flow International -- Free-Flow Packaging
12:47:58 8 International versus Pactiv Corporation case.

12:48:02 9 It's -- I think it creates confusion for the
12:48:07 10 jury under 403, waste of time. I think that the
12:48:10 11 substantive testimony of what devices Pregis used when
12:48:15 12 they were developing their product to the extent it
12:48:20 13 might be relevant to come in. But the term here is
12:48:26 14 going to inject into the trial something that does not
12:48:29 15 belong and will create confusion.

12:48:31 16 This case is not about the reference by
12:48:35 17 three individuals to the terms knockoff. I don't think
12:48:39 18 that it tends to prove an issue in this case in a way
12:48:45 19 that does not lead to some confusion for the jury.

12:48:49 20 So, that aspect of the motion is granted.

12:48:51 21 Thank you.

12:48:57 22 I think I've covered those before me for the
12:48:59 23 day.

12:49:03 24 MR. DABNEY: Your Honor, the only motion
12:49:04 25 Your Honor has not specifically addressed had to do with

12:49:09 1 our motions in limine two and three. If I could address
12:49:13 2 those briefly I think I could predict what Your Honor's
12:49:16 3 ruling will be on it, but I'd like to at least address
12:49:20 4 them briefly.

12:49:20 5 THE COURT: All right. Let me pull your
12:49:23 6 motion back up in front of me.

12:49:39 7 This is the motion in limine to preclude
12:49:42 8 inadmissible evidence?

12:49:44 9 MR. DABNEY: Yes, our motions two and three.
12:49:46 10 Your Honor has ruled today that the prosecution history
12:49:49 11 documents are going to come in, and we accept that
12:49:52 12 ruling.

12:49:53 13 Our motion, though, was a much more narrowly
12:49:57 14 focused motion than that. And it has to do with the
12:50:00 15 extent to which -- we just went through arguing about
12:50:03 16 commenting on what absent witnesses being present or
12:50:08 17 absent would be allowed.

12:50:10 18 We're very concerned in this case based on
12:50:13 19 the opposition papers that the trial of this case is
12:50:17 20 going to include argument along the following lines.

12:50:23 21 The defendant wants to tell the jury that
12:50:26 22 the patent office heard our arguments and rejected them
12:50:31 23 and because of that, the jury should find in their
12:50:34 24 favor. And we believe that this is improper on a number
12:50:38 25 of grounds.

12:50:39 1 THE COURT: Well, you've outlined those in
12:50:41 2 your --

12:50:41 3 MR. DABNEY: Yes.

12:50:42 4 THE COURT: -- papers. The PTO did not
12:50:49 5 consider infringement.

12:50:50 6 MR. DABNEY: The PTO did not consider
12:50:53 7 infringement, and the PTO also did not consider any
12:50:56 8 testimony that's going to be received at this trial.

12:50:59 9 THE COURT: Right.

12:51:00 10 MR. DABNEY: And, it seems to me that what
12:51:03 11 we have here, and this sort of goes into the motion to
12:51:05 12 strike and all of that. And I fully understand Your
12:51:09 13 Honor does not want to be the first in the nation, and I
12:51:11 14 apologize if our arguments --

12:51:12 15 THE COURT: Well, novel arguments intrigue
12:51:15 16 me and I've had cases where I was the first judge to
12:51:18 17 declare a statute unconstitutional. I'm
12:51:21 18 prepared to do it. I just want to make sure we're
12:51:23 19 making a record of what you were doing.

12:51:25 20 MR. DABNEY: Yes, all right. So just let me
12:51:26 21 try to explain where we're coming from on this.

12:51:29 22 THE COURT: Well, you just said that -- I
12:51:30 23 understand your position. You're saying that Free-Flow
12:51:35 24 cannot stand up and say the PTO has rejected these
12:51:41 25 arguments and therefore Pregis infringes. I don't think

12:51:44 1 they're going to do that.

12:51:44 2 MR. DABNEY: Okay.

12:51:44 3 THE COURT: I think they know they can't do

12:51:46 4 that. Otherwise there would be in necessity for a

12:51:49 5 trial.

12:51:49 6 MR. DABNEY: That's right. But even if they

12:51:51 7 can't say as we can't say we got a patent, ipso facto we

12:51:57 8 don't infringe, what we're concerned about is -- and

12:52:01 9 they state it better in their opposition than I could.

12:52:05 10 They said on page four of their opposition to our motion

12:52:08 11 in limine just -- I couldn't put it better in --

12:52:21 12 THE COURT: Again, only to show that PTO was

12:52:23 13 aware of the arguments and rejected them?

12:52:25 14 MR. DABNEY: Yes. I think this sentence in

12:52:27 15 the middle of the page is exactly the concern that we

12:52:33 16 have because --

12:52:33 17 THE COURT: Okay.

12:52:34 18 MR. DABNEY: If -- if what happened here was

12:52:37 19 that the patent office had rejected a claim and you went

12:52:42 20 into district court and you introduced new evidence,

12:52:44 21 it's very clear in those circumstances that the Court as

12:52:49 22 to make de novo fact findings because the patent office

12:52:54 23 didn't have the benefit of the evidence.

12:52:56 24 So, of course its determinations on the

12:52:59 25 basis of a one-sided abbreviated presentation are simply

12:53:04 1 not -- they obviously can't be received as the
12:53:08 2 equivalent of expert testimony in the trial.

12:53:10 3 It's just at that phrase of the proceeding,
12:53:12 4 the patent office on the limited information it had
12:53:15 5 available to it reached certain legal conclusions.

12:53:18 6 Now, what we have be asking Your Honor to do
12:53:20 7 on the basis of a much more expanded record with the
12:53:23 8 benefit of expert testimony and demonstrative and so on
12:53:27 9 is to say, okay, now that the whole story has both
12:53:30 10 sides. And for the first time a government official has
12:53:32 11 been presented with a full story from both sides, we
12:53:35 12 will ask that the Court make effectively de novo
12:53:40 13 determinations on the basis of the expanded record.

12:53:42 14 In a jury trial, you have the problem that
12:53:47 15 administrative agency review is essentially unfolding in
12:53:52 16 the presence of the jury. And the question then
12:53:54 17 naturally is, well how -- what is the evidentiary
12:53:59 18 admissibility of the fact that someone in the patent
12:54:02 19 office may or may not have made a statement or you could
12:54:05 20 infer from what they did, that they did or did not think
12:54:08 21 a certain thing.

12:54:09 22 And that, we believe, is a form of hearsay,
12:54:14 23 that it should not be allowed to the defendant to say
12:54:18 24 this reference clearly doesn't disclose a block because
12:54:22 25 the patent office granted the patent. And this was of

12:54:26 1 record and therefore the patent office must have
12:54:28 2 concluded that this reference doesn't disclose a block.

12:54:31 3 That's the kind of problem that we have.

12:54:33 4 Even though there's no finding to that effect and we
12:54:35 5 don't even know that that's the case.

12:54:36 6 THE COURT: Well, I think that the argument
12:54:39 7 you just made could be made if there are facts to
12:54:43 8 support it.

12:54:43 9 If the application or the response to it
12:54:46 10 from counsel suggested that the examiner had before him
12:54:51 11 or her the particular statement, that the fact that the
12:54:59 12 patent claim as allowed is distinctive is a part of the
12:55:02 13 prosecution evidence. That's going to come into
12:55:04 14 evidence any way. It's just your bad view or
12:55:06 15 characterization of it.

12:55:07 16 The jury instructions will tell the jury
12:55:08 17 they have to consider the issues of infringement. And
12:55:12 18 those instructions will encompass not only the burden of
12:55:16 19 proof for invalidity but also the patent is presumed to
12:55:20 20 be valid. Those are instructions that are given all the
12:55:22 21 time.

12:55:22 22 MR. DABNEY: I agree, and I'm trying to just
12:55:24 23 narrowly focused on I don't want to be confronted in the
12:55:29 24 courtroom with a phantom of an individual who can't be
12:55:33 25 seen, that I can't cross-examine, that I can't ask him,

12:55:35 1 well did you consider this, did you consider that, did
12:55:38 2 you consider that.

12:55:38 3 THE COURT: I'm not worried about that. But
12:55:40 4 let me hear from opposing counsel.

12:55:42 5 MR. DABNEY: Okay, thank you.

12:55:45 6 MR. WRIGHT: Your Honor, with all due
12:55:47 7 respect, Mr. Dabney is confusing the question of
12:55:49 8 admissibility with the question of the weight to be
12:55:52 9 given to the evidence once it has been admitted.

12:55:54 10 As our brief points out, clearly, the PTO
12:55:59 11 records fall within an exception to the hearsay rule.
12:56:01 12 It's a public record under 803(8), and so the record
12:56:05 13 comes in.

12:56:05 14 The question about what weight to be
12:56:08 15 accorded to various statements that are in the record is
12:56:10 16 completely separate inquiry. So the hearsay inquiry is
12:56:14 17 over.

12:56:15 18 Fortunately the Federal Circuit has already
12:56:17 19 given us some guidance on what weight should be given to
12:56:20 20 the statements in the public record.

12:56:22 21 On page six of our opposition, we have a
12:56:25 22 cite from the *Mendenhall* case of the Federal Circuit.
12:56:29 23 This is what the jury instruction said in this case.
12:56:34 24 "Because the deference to be given to the patent
12:56:36 25 office's determination is related to the evidence it had

12:56:40 1 before you, you should consider the evidence presented
12:56:41 2 to the patent office during the reissue application
12:56:44 3 process. Compare it with the evidence you have heard in
12:56:46 4 this case and then determine what weight to give to the
12:56:49 5 patent office's determination".

12:56:51 6 So, the Federal Circuit has approved that
12:56:55 7 instruction. And we think Your Honor can adopt similar
12:56:59 8 instructions that can carefully guide the jury not to
12:57:02 9 give undue weight to particular statements in the
12:57:04 10 record.

12:57:05 11 By the same token, we're entitled to point
12:57:09 12 to things in the record that tend to support our
12:57:11 13 position, and Mr. Dabney can point to things in the
12:57:14 14 record and his expert witness apparently is going to
12:57:16 15 call in question things that were made. But we do have
12:57:19 16 this presumption --

12:57:19 17 THE COURT: But, his point is that you can't
12:57:22 18 argue to the jury that because the PTO determined to
12:57:25 19 allow planar path and not substantially planar path that
12:57:30 20 that demonstrates infringement and that, ladies and
12:57:34 21 gentlemen, you need not consider all the other evidence
12:57:37 22 being presented to you. That's what he's saying.

12:57:39 23 MR. WRIGHT: Absolutely, there was no
12:57:41 24 question of infringement before the patent office.

12:57:43 25 And, with all due respect, this question of

12:57:46 1 planar path is a little bit of a --
12:57:48 2 THE COURT: I'm just using that as an
12:57:51 3 example. What I'm trying to say is Mr. Dabney's concern
12:57:56 4 is that you will waive around the documents and say we
12:58:00 5 win because we have this document. And I don't think
12:58:03 6 it's that simple.

12:58:04 7 I think that the case involves a
12:58:06 8 presentation of whatever evidence both sides have here
12:58:09 9 and the jury has to make its own judgment about
12:58:12 10 infringement which nobody has ever decided before this
12:58:14 11 case as far as I'm aware of.

12:58:15 12 MR. WRIGHT: In my view, the infringement
12:58:17 13 issue is not even a question here. What they're really
12:58:19 14 getting at is on the validity side.

12:58:22 15 They don't want us to be able to say the
12:58:24 16 same patents that you're seeing in court today were
12:58:28 17 already before the patent office and the patent office
12:58:30 18 looked at them and decided to allow the patents. They
12:58:32 19 don't want us to say that.

12:58:32 20 THE COURT: Oh, you can say that. I don't
12:58:34 21 think there's any problem with your saying that. That's
12:58:35 22 a fact.

12:58:36 23 The fact is the PTO did allow patents. That
12:58:39 24 has nothing to do with whether or not it's valid or not.
12:58:43 25 The validity of it is a judgment that still has to be

12:58:46 1 made based upon the evidence. And the patent is assumed
12:58:48 2 to be valid.

12:58:49 3 And the burden of proof is on the person
12:58:51 4 seeking to attack the patent by clear and convincing
12:58:54 5 evidence to demonstrate that it is invalid on some
12:58:57 6 ground recognized by statute.

12:58:59 7 So, I -- does that -- what you -- do you
12:59:03 8 agree with what I just said?

12:59:05 9 MR. WRIGHT: Yes, I do agree with what you
12:59:06 10 just said.

12:59:07 11 THE COURT: Okay.

12:59:07 12 MR. WRIGHT: I guess the only gloss to it I
12:59:09 13 would add is we think we're entitled to point out to the
12:59:13 14 jury that the prior art previously considered by the
12:59:15 15 patent office is in court here again today and that
12:59:18 16 helps our presumption of validity.

12:59:20 17 And that goes to the final question on the
12:59:22 18 motion in limine which I don't think you've addressed
12:59:24 19 yet and that is whether the jury can even be informed
12:59:27 20 about the presumption of validity. Pregis has taken the
12:59:31 21 motion that they cannot.

12:59:31 22 THE COURT: I just said that would get an
12:59:33 23 instruction.

12:59:33 24 MR. WRIGHT: So that issue has been
12:59:34 25 resolved.

12:59:35 1 THE COURT: Okay, thank you. All right.

12:59:37 2 I think where we are, Mr. Dabney, is that

12:59:41 3 the prosecution record is going to be before the Court.

12:59:46 4 I've invited you all to make your own charts

12:59:48 5 about it so the jury will be able to understand what

12:59:50 6 your theory is, as long as the chart is keyed to the

12:59:55 7 particular documents.

12:59:56 8 And I would invite you all to just submit

12:59:57 9 one record so the citations are uniform. Use the bates

13:00:01 10 number that you have on the prosecution history so the

13:00:03 11 jury will be able to figure out just what you're

13:00:06 12 referring to.

13:00:06 13 And, you all are free to argue, it seems to

13:00:10 14 me, whatever was submitted to the PTO and what the PTO

13:00:17 15 rendered as it relates to the various claims. But the

13:00:24 16 jury's going to be instructed of their obligation to

13:00:28 17 consider invalidity.

13:00:30 18 They will be instructed on presumption of

13:00:32 19 validity of a patent. And they'll be instructed on

13:00:37 20 infringement, actual and doctrine of equivalence.

13:00:42 21 And I expect you all to prepare instructions

13:00:44 22 as I've given you direction to do so in the trial

13:00:49 23 letter.

13:00:50 24 I think that now I've covered everything.

13:00:52 25 All right. We're in recess.

13:00:54 1 MR. WRIGHT: Your Honor --

13:00:55 2 THE COURT: I'm sorry.

13:00:56 3 MR. WRIGHT: One final question. We're a

13:00:58 4 little bit confused. Did you say that the patent law

13:01:01 5 experts can or cannot testify? I know you said we could

13:01:05 6 bring in some charts.

13:01:06 7 THE COURT: Yeah, somebody can come in and

13:01:07 8 explain the charts and that person can be a lawyer.

13:01:09 9 That's fine.

13:01:10 10 But they're not going to be characterizing

13:01:12 11 it by saying well this -- that the PTO did this means

13:01:17 12 that they rejected that, no, no.

13:01:19 13 MR. WRIGHT: And is the testimony limited to

13:01:21 14 the demonstrative or can they go through the whole

13:01:24 15 record?

13:01:24 16 THE COURT: Well, I thought the

13:01:25 17 demonstrative would -- they would walk the person --

13:01:29 18 walk the jury through the prosecution history from their

13:01:31 19 point of view identifying the key facts of things they

13:01:34 20 thought were important in the prosecution history --

13:01:36 21 MR. WRIGHT: Okay.

13:01:37 22 THE COURT: -- without characterizing it in

13:01:39 23 an argumentative fashion.

13:01:40 24 MR. WRIGHT: Thank you. And then one final

13:01:41 25 point. You did agree to revisit your ruling on the

13:01:44 1 252 --

13:01:45 2 THE COURT: I did. I have to look at the
13:01:47 3 briefs. I can't do it here in court.

13:01:50 4 Thank you.

13:01:50 5 MR. WRIGHT: Thank you.

13:02:14 6 (Proceedings concluded at 1:02 p.m.)

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3 CERTIFICATE OF REPORTER
45 I, Renecia Wilson, an official court
6 reporter for the United State District Court of
7 Virginia, Alexandria Division, do hereby certify that I
8 reported by machine shorthand, in my official capacity,
9 the proceedings had upon the motions in the case of
10 Pregis Corporation vs. James J. Doll, et al.11 I further certify that I was authorized and
12 did report by stenotype the proceedings and evidence in
13 said motions, and that the foregoing pages, numbered 1
14 to 94, inclusive, constitute the official transcript of
15 said proceedings as taken from my shorthand notes.16 IN WITNESS WHEREOF, I have hereto
17 subscribed my name this 26th day of January, 2010.
1819 /s/
20 _____
21 Renecia Wilson, RMR, CRR
22 Official Court Reporter
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